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Daily Report

Latin America

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FBIS-LAT-94-204 *21 October 1994*

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NOTICE TO READERS: Effective 1 October, the processing indicators appearing in brackets at the start of each item in this publication have been changed. All new indicators begin with "FBIS" to make the material more easily identifiable. Some also indicate whether the item has been translated from the vernacular or transcribed from English.

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[Text of the "Alliance for Central America's Sustainable Development" issued at the Central American Presidents' Ecological Summit in Managua on 12 October; furnished by the Salvadoran Presidency—passages in boldface as published; all capitalization as published]

[FBIS Translated Text] **INTRODUCTION**

We, the presidents of Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, Panama, and the delegate of the Prime Minister of Belize, after meeting at the Central American Ecology Summit for Sustainable Development in Managua, Nicaragua, agree that the circumstances prevailing in the region impose a change of course. For this reason, we have decided to adopt an overall strategy for sustainable development in the region.

Just as we said in the Guacimo Declaration, we have made concrete this alternative into a national and regional strategy, which we have called Alliance for Sustainable Development. This is a general Central American political, moral, economic, social, and ecological initiative, which we have defined in a program of actions through which we aspire to become a model for other regions.

The Alliance for Sustainable Development is an initiative that consists of policies, programs, and actions on a short-, medium-, and long-term basis, and outlines a change in the formula for development, our individual and collective positions, and local, national, and regional policies and actions, all of which aims at the political, economic, social, cultural, and environmental sustainability of the societies.

The Alliance is a regional strategy for coordinating and unifying interests, development initiatives, and responsibilities, as well as harmonizing rights. The Alliance's implementation is based on institutionality and does not substitute existing regional integration mechanisms or instruments, but complements, supports, and strengthens them, both within and outside the region, particularly in the process of turning sustainable development into the strategy and central policy of the states and the region in general.

In this effort and commitment for sustainable development, which is a characteristic of the Central American community, we assume the responsibility for better tapping and more efficient management of our region's resources.

In this context, we believe that the international community can and should contribute to Central America's sustainable development by changing the community's stances, policies, and actions in the region, an action that would redefine the relationship between the international community and the countries of the isthmus completely and in a mutually profitable manner.

The Central American Council for Sustainable Development, in charge of giving impetus to the Alliance, will promote and negotiate agreements aimed at complementing sustainable development in Central America. This promotion and negotiation will take place with countries, blocs of countries and regions, and regional and international cooperation organizations, by common consent and with the support of the directly responsible institutions.

Central America will define rights and duties within the framework of Rio de Janeiro's Agenda 21 with the purpose of becoming a model of sustainable development for all countries where respect for life in all of its manifestations; permanent improvement in the quality of life; respect for the Earth's vitality and diversity; peace; participatory democracy; respect for, promotion of, and protection of human rights; respect for our peoples' many cultures and ethnic diversity; and respect for the region's economic integration with the rest of the world, as well as the inter-generational responsibility for sustainable development, will be the principles governing us in the future.

THE CONCEPT OF SUSTAINABLE DEVELOPMENT

Due to the peculiarities and characteristics of the Central American region, we have adopted the following concept of sustainable development.

Sustainable development is a process of progressive improvement in the people's quality of life, a process that views man as the center and principal subject of development to be reached by means of economic growth with social equity and the transformation of methods of production and patterns of consumption, a process based on ecological balance and vital support from the region. This process implies respect for ethnic diversity and for regional, national, and local cultures, as well as full and more vigorous participation from the citizens, all in peaceful coexistence and harmony with nature, guaranteeing, not endangering, the quality of life of future generations.

PRINCIPLES OF THE ALLIANCE FOR SUSTAINABLE DEVELOPMENT

We shall now list the seven fundamental principles Central Americans have adopted in order to secure sustainable development. These principles will prevail in all the policies, programs, and activities promoted by the states, individually or jointly, as well as by civilian society, because they constitute the basis of objectives and commitments of common interest.

1. RESPECT FOR ALL FORMS OF LIFE

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The essence of life can be found in ethical and moral values based on respect, personal responsibility, and consideration for other beings and the world. Sustainable development will not be secured at the expense of other groups, or of future generations, and it will not endanger other species.

2. IMPROVING THE QUALITY OF HUMAN LIFE

The objective of sustainable development is improving and guaranteeing the quality of human life, to allow the people to develop their potential and live an honorable and successful life. To achieve this, it is imperative to offer the people security through human development, the promotion of social participation in democracy, respect for cultural pluralism and ethnic diversity, access to education, and the development of technical and professional training to fairly contribute to economic growth.

3. RESPECT FOR AND SUSTAINABLE USE OF THE LAND'S VITALITY AND DIVERSITY

Local, national, and regional development will be based on a sustainable use and management of land resources and the protection of the structure, functions, and diversity of natural systems, on which the human and other species depend. This will be an objective of the work that needs to be done. This will be an objective in order to:

—Safeguard the systems that sustain life and the ecological processes that regulate the climate, air and water quality, and flooding, the systems that recycle essential elements, create and generate soil, and permit ecosystems to renovate themselves.

—Protect and preserve the biodiversity of all species of plants, animals, and other organisms, as well as of genetic populations within each species and kind of ecosystem.

—Watch out for the sustainable use of natural resources, especially the soil, wild and domestic species, the forests, cultivated land, and the ecosystems of the sea, rivers, and lakes.

4. PROMOTING PEACE AND DEMOCRACY AS BASIC FORMS OF HUMAN COEXISTENCE

Political liberty; respect, protection and promotion of human rights; the struggle against violence, corruption and impunity; and respect for valid international treaties are essential elements for promoting peace and democracy as basic forms of human coexistence.

Peace and democracy gain strength with the participation of the citizens. In this regard, the strengthening of democratic institutions, participatory mechanisms, and the legal state are indispensable to sustainable development.

5. RESPECT FOR CULTURAL PLURALITY AND ETHNIC DIVERSITY IN THE REGION

To a varying degree, Central American countries are societies characterized by ethnic and cultural diversity, which is a form of wealth that must be preserved by creating conditions which guarantee that all cultural expressions can develop freely, especially those of the Indians, because they are native cultures that have faced a submission brought about by conquest and colonization. The right to cultural identity is a basic human right and the basis of coexistence and national unity.

Areas with the greatest biological diversity are usually inhabited by Indian communities that in some cases have a lifestyle conducive to the preservation of our natural environment. The Indian world's view favors this goal, because it believes nature to be inseparable from human beings.

Thus, respect for ethnic diversity and the development of Indian cultures, which is in itself a goal, is compatible with our natural environment. To guarantee that respect for the environment becomes a coherent practice, however, we need ideas and options for self-sustainable development that are accessible to the population.

Respect for ethnic diversity can only exist within a framework of peace and democracy in which opportunities to achieve sustainable development are facilitated.

6. THE ATTAINMENT OF HIGH DEGREES OF ECONOMIC INTEGRATION AMONG COUNTRIES OF THE REGION AND BETWEEN THEM AND THE REST OF THE WORLD

Within the context of globalization, it is imperative that the benefits of free trade be accessible to the entire region; particularly through the most expedient promotion and implementation by the most developed countries of policies leading to the establishment of a great free trade and economic integration zone to which Central American countries have access under adequate conditions while safeguarding the particular characteristics of their levels of development.

7. THE INTERGENERATIONAL RESPONSIBILITY OF SUSTAINABLE DEVELOPMENT

The strategies, policies, and programs of the states will promote sustainable development and the well-being of present and future generations and will seek human improvement in various areas: political, economic, social, cultural, and environmental.

FOUNDATIONS OF THE ALLIANCE FOR SUSTAINABLE DEVELOPMENT

Sustainable development is a comprehensive approach to development that demands simultaneous efforts in the four basic areas of this alliance and balanced progress in each of them.

Democracy, which is characterized by social participation in the decisions that affect society, demands that public policies and the citizens' means of production and coexistence are ample and participative. To successfully

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fight poverty there must be economic growth, and to achieve this, the quality of human resources must be improved and actions implemented to improve the economic opportunities of the less fortunate through social policy.

Democracy and social and economic development are not sustainable if the environment and natural resources are not preserved. The contribution of this analysis of sustainable development is its focus on the need to make simultaneous efforts to achieve democracy, equitable economic growth, social development, and a sustainable management of natural resources and improvement of environmental quality.

1. DEMOCRACY

Democracy as a basic form of human coexistence and sustainable development are closely related. Only a democratic and participative society and a state of law will achieve well-being and justice in Central America.

Support for the consolidation, protection, and full guarantee of human rights is an expression of respect for human dignity and thus constitutes one of the main aspects of sustainable development.

The search for the decentralization of the state's political, economic, and administrative activity is a factor that makes the process feasible, as are the strengthening and consolidation of democratic institutions, local administrations, and municipal governments. It is also important to strengthen nongovernmental and community organizations.

A firm and lasting peace derived from this form of human coexistence would lead to the achievement of a sustainable development requiring harmonious relations among human beings and between them and the natural environment.

2. SOCIAL AND CULTURAL DEVELOPMENT

Priority status must be given to the social challenge of overcoming extreme poverty in the region. Poverty is not only evidence of a serious degree of backwardness and inequality, but an obstacle in the way of harmonious conciliation and national integration and a potential threat to democratic coexistence and firm and lasting peace.

Social development, as part of Central America's sustainable development, is based on support, solidarity, joint responsibility, self-development, attention to the population's basic needs, and training and participation of communities.

Communities and their organizations, intermediate institutions, and local governments will be primarily responsible for this participation. The success of the region's sustainable development rests on the creation and reinforcement of municipal structures responsible for the community's organization and participation, as well as social services operating under the principle of decentralization and with ample participation of the beneficiaries.

The areas of attention will be focused on the following:

a) Investing in human resources. Basic education, preventive medicine, environmental sanitation, and training will be given priority status.
b) Carrying out programs to support the family and vulnerable groups, thus making possible the general development of minors, teenagers, elderly people, and women.
c) Improving the access of low-income groups to social benefits and the social and economic infrastructures.
d) Increasing the number of job opportunities. This will create conditions for productive activities by increasing loans to small enterprises, providing technical assistance, and taking other actions to improve the economic opportunities of the needy.

A fundamental element of this plan is to developing a public awareness consistent with the importance of promoting sustainable development.

Respect for life in all its manifestations and its natural support, the land, involves a number of values that favor the development of the national entity in the framework of cultural plurality and ethnic diversity. Likewise, sustainable development establishes a number of stances, habits, and lifestyles that reinforce solidarity and identity. The cultural, historic, and natural heritage will be adequately considered and utilized to promote sustainable economic and social activities. In addition, the development of creativity in arts, science, and technology will be promoted.

SUSTAINABLE ECONOMIC DEVELOPMENT

The isthmus' economic sustainable development is based on freedom, dignity, justice, social equality, and economic efficiency.

The intelligent and efficient administration of macroeconomic and sector-oriented policies and the enforcement of clear and consistent rules are essential requirements for the extension and permanency of economic and social stability. Our future social and economic order includes everything essential for the peaceful coexistence of the members of society, the humanization of the economy, and the formation of a cost-profit economic criterion for aspects related to the deterioration of the environment and the intelligent use of natural resources.

Improving the economic infrastructure, particularly in terms of electricity, telecommunications, and transport, is also essential, not only to increase productivity in the region's economies but to develop economic activities in general.

The vulnerability of the region's economies, which depend on the export of a small amount of raw materials,

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has been revealed by a persistent outside gap. Consequently, it is essential that our products have better access to industrialized economies.

The burden of the debt and interest payments has seriously restricted our countries' capability to speed growth and eradicate poverty. For this reason, it is essential to provide as soon as possible a lasting solution for the foreign indebtedness problem in order to reactivate development.

The necessary financial strategies will be established to guarantee resources, both from internal and external sources, for sustainable development. In this context, the countries could consider using mechanisms for writing off, converting, and rescheduling the amortization of bilateral and multilateral debts according to the circumstances in each country, establishing rotating and trust funds, and restructuring and reallocating national budgets, giving due priority status to sustainable development goals and fitting security and defense expenses to the countries' realities and the climate of peace that progresses in the region.

The region's model for sustainable development stimulates the private sector's increasing participation and the full development of the sector's creative potential. This stimulus aims at promoting direct investments, among other things, to provide services to the neediest sectors of the population, because this is an instrument designed to increase productivity and competitiveness and to alleviate poverty.

Initiatives will also be developed for intelligently using renewable sources of energy; stimulating trade, sustainable productive investments, and savings; eliminating red tape in public administration; supporting research and development of pure technologies by establishing research centers to facilitate the development of environmental technical standards in Central America; and certifying the environmental quality of our exports. These centers would contribute to the process of industrial reconversion in progress in the region and to the use of sustainable production processes by incorporating preventive measures, not reactive ones like permanent assessments of environmental impact.

At the same time, development of human resources is a basic requirement for greater productivity and an important instrument for greater social equity. In this context, special emphasis must be placed on spending in education and health, particularly for the neediest, as an instrument to increase productivity, improve competitiveness, and reduce poverty in the region.

Due to tourist activity in the region, it is necessary to ensure a dynamic balance between protecting and preserving the environment, on the one hand, and developing this tourist activity, with due respect for the natural and cultural patrimony of our peoples, on the other.

It is essential to strengthen and consolidate Central America's commitment to integration to raise the population's standard of living, increase trade in the region, open new markets, and incorporate Central America into the world economy.

This incorporation requires that all countries stick to the pledges already made to stop protectionism and expand even further access to markets, particularly in sectors in which developing countries are interested. Therefore, it is urgent to improve access to basic products in the markets, particularly by gradually eliminating barriers that restrict imports of Central American basic and finished products, and greatly but gradually reducing the types of support that lead to not very competitive production, such as subsidized production and exports.

SUSTAINABLE MANAGEMENT OF NATURAL RESOURCES AND IMPROVEMENT OF THE QUALITY OF THE ENVIRONMENT

The exhaustion and deterioration of renewable natural resources poses a problem for Central America's future development. The pollution of water, air, and the Earth has increased rapidly in the region and will probably continue if existing development and industrialization processes are not redirected. The biggest threat is posed by the destruction of forests and the reduction and deterioration of the quantity and quality of water. This in turn is one of the main causes of disease and death, particularly among those with the lowest incomes.

Sustainable management of natural resources and improvement of the quality of the environment are mechanisms for protecting ecological processes and genetic diversity, which are essential for preserving life. Sustainable management also enhances the permanent effort to preserve biological diversity and protected areas, as well as to control and prevent the pollution of water, air, and the Earth, all of which permits the steady use of ecosystems and the recovery of those that have deteriorated.

To ensure that the preservation of the human environment can be an instrument to make possible and stimulate sustainable development, the countries have pledged to outline policies, based on the juridical framework, both internal and external, in the areas of territorial demarcation, energy, transport, human and population settlements, forests and biological diversity, and control and prevention of the pollution of water, air, and the Earth, among other issues.

In view of the serious situation that Central America is now enduring, it is essential to outline a policy and a master plan for the generation, commercialization, and consumption of energy by stimulating the use of renewable, alternative sources of energy, creating energy efficiency programs, and establishing electrical interconnection among Central American countries.

GOALS OF THE ALLIANCE FOR SUSTAINABLE DEVELOPMENT

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SYNOPSIS

1. TO MAKE THE ISTHMUS AN AREA OF PEACE, FREEDOM, DEMOCRACY, AND DEVELOPMENT BY PROMOTING CHANGE IN PERSONAL AND SOCIAL ATTITUDES THAT WILL ENSURE CONSTRUCTION OF A SUSTAINABLE MODEL OF DEVELOPMENT IN THE POLITICAL, ECONOMIC, SOCIAL, CULTURAL AND ENVIRONMENTAL SPHERES, WITHIN THE FRAMEWORK OF AGENDA 21.

2. THE FULL AND SUSTAINABLE ADMINISTRATION OF TERRITORIES TO GUARANTEE THE CONSERVATION OF THE REGION'S BIODIVERSITY FOR OUR BENEFIT AND THAT OF HUMANITY.

3. TO INFORM THE INTERNATIONAL COMMUNITY OF THE SCOPE OF THE ALLIANCE AS WELL AS THE IMPORTANT AND MUTUAL BENEFITS THAT WILL BE DERIVED FROM SUPPORT FOR THIS SUSTAINABLE CENTRAL AMERICAN MODEL.

4. TO FOSTER CONDITIONS THAT WILL PERMANENTLY STRENGTHEN SOCIETY'S CAPABILITIES AND INVOLVEMENT IN IMPROVING THE QUALITY OF LIFE NOW AND IN THE FUTURE.

THESE GOALS ARE EXPOUNDED IN AN ANNEX THAT IS A FULL AND INSEPARABLE PART OF THIS ALLIANCE FOR SUSTAINABLE DEVELOPMENT.

INSTRUMENTS OF THE ALLIANCE FOR SUSTAINABLE DEVELOPMENT

1. NATIONAL COUNCIL FOR SUSTAINABLE DEVELOPMENT

The governments have agreed to form National Councils for Sustainable Development with representatives from the Government Sector and Civilian Society.

Within their spheres of action and responsibility, the National Councils for Sustainable Development in each country must preserve coherence and consistency between national policies, programs, and plans and the strategy of sustainable development.

2. CENTRAL AMERICAN COUNCIL FOR SUSTAINABLE DEVELOPMENT

The Central American Council for Sustainable Development will be comprised of the Central American presidents and the prime minister of Belize, who will be allowed to appoint representatives.

The Council will adopt and execute its decisions, commitments, and agreements pertaining to sustainable development through Central American organizations and institutions. The Council of Foreign Ministers, in conjunction with the foreign minister of Belize, will be the body in charge of coordinating presidential decisions and will rely in the performance of its duties on the support of the General Secretariat of the Central American Integration System, SG-SICA, which will work closely with the Technical Secretariats of the regional subsystems and institutions.

The Central American Council for Sustainable Development will adopt mechanisms to ensure the participation of civilian society in the entire sustainable development process, particularly in the Consultative Committee referred to in the Tegucigalpa Protocol.

This Alliance for Sustainable Development was adopted in the city of Managua, Republic of Nicaragua, on the 12th day of the month of October of 1994.

JOSE MARIA FIGUERES OLSEN, president, Republic of Costa Rica
ARMANDO CALDERON SOL, president, Republic of El Salvador
RAMIRO DE LEON CARPIO, president, Republic of Guatemala
CARLOS ROBERTO REINA IDIAQUEZ, president, Republic of Honduras
VIOLETA BARRIOS DE CHAMORRO, president, Republic of Nicaragua
ERNESTO PEREZ BALLADARES, president, Republic of Panama
HENRY YOUNG, representative of the prime minister of Belize

ANNEX
SPECIFIC GOALS OF THE ALLIANCE FOR SUSTAINABLE DEVELOPMENT
POLITICAL

1. SUPPORT THE PEACE AND RECONCILIATION PROCESSES OF THE COUNTRIES OF THE REGION.
2. PROMOTE THE FULL PREVALENCE OF HUMAN RIGHTS.
3. STRENGTHEN THE STATE OF LAW AND DEMOCRATIC INSTITUTIONS.
4. FIGHT CORRUPTION AND IMPUNITY.
5. STRENGTHEN ADMINISTRATIVE CAPABILITY AND MUNICIPAL WORK TO DIRECTLY TACKLE THE PROBLEMS OF EACH LOCALITY.
6. IMPROVE MECHANISMS FOR POLITICAL AND ELECTORAL PARTICIPATION.
7. SUPPORT DIVERSE FORMS OF COMMUNITY ORGANIZATION THAT PRESERVE NATIONAL IDENTITY WITHIN A FRAMEWORK OF CULTURAL PLURALITY AND ETHNIC DIVERSITY.
8. FIGHT THE CAUSES OF VIOLENCE AND CRIME, INCLUDING DRUG TRAFFICKING.
9. MODERNIZE STATE INSTITUTIONS TO ENSURE THEY EFFICIENTLY FULFILL THEIR DUTIES.

ECONOMIC

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1. PROMOTE A STRATEGY OF SUSTAINABLE DEVELOPMENT AND DOMESTIC AND INTERNATIONAL INTEGRATION BASED ON EXPANSION OF THE DOMESTIC MARKET AND PROMOTION OF NATIONAL AND FOREIGN INVESTMENTS.
2. PROMOTE POLICIES TO REDUCE INTRAREGIONAL IMBALANCES THAT AFFECT THE REGION'S SUSTAINABLE DEVELOPMENT.
3. RAISE ECONOMIC GROWTH RATES TO REDUCE POVERTY LEVELS AND GUARANTEE THE SOCIAL AND POLITICAL MAINTENANCE OF THE PROCESS OF ECONOMIC OPENING AND DEMOCRATIZATION OF COUNTRIES IN THE REGION.
4. FIND JOINT SOLUTIONS TO THE FOREIGN DEBT PROBLEM.
5. HARMONIZE REGIONAL MACROECONOMIC AND SECTORIAL POLICIES.
6. PROMOTE INVESTMENTS AND SUSTAINABLE PRODUCTIVE PROCESSES.
7. PROMOTE BROAD STUDY OF AND DEBATE ON ECONOMIC AND INSTITUTIONAL REFORMS THAT CENTRAL AMERICAN COUNTRIES SHOULD PROMOTE TO JOINTLY NEGOTIATE A FREE TRADE AND INVESTMENT TREATY WITH COUNTRIES IN THE HEMISPHERE.
8. PROMOTE THE CREATION AND TRANSFER OF CLEAN TECHNOLOGIES TO IMPROVE THE PRODUCTIVITY AND DEVELOPMENT OF TECHNICAL ENVIRONMENTAL STANDARDS AND TO ENCOURAGE PRODUCTION WITHOUT DETRIMENT TO THE ENVIRONMENT.
9. PROMOTE AND DEVELOP SUSTAINABLE ECOLOGICAL TOURISM.
10. FORMULATE POLICIES THAT RATIONALIZE AND ENCOURAGE AGRICULTURAL ACTIVITIES THAT HELP PROMOTE RURAL DEVELOPMENT, CONSOLIDATE INTRAREGIONAL TRADE IN AGRICULTURAL PRODUCTS, GUARANTEE FOOD SUPPLY, AND INCREASE AND DIVERSIFY EXPORTS BY CONSOLIDATING THE ARTICULATION OF PRODUCTIVE, COMMERCIAL, AND SERVICE NETWORKS.
11. STRENGTHEN THE INCORPORATION OF SCIENCE AND TECHNOLOGY IN PRODUCTIVE PROCESSES THROUGH THE IMPROVEMENT OF TECHNOLOGICAL TRAINING OF HUMAN RESOURCES; THE STRENGTHENING AND CREATION OF TECHNOLOGICAL INNOVATION CENTERS, AND THE DEVELOPMENT OF BUSINESS PROMOTERS [INCUBADORAS DE EMPRESAS] AND TECHNOLOGICAL PACKAGES.
12. PROMOTE THE CONSTRUCTION, REHABILITATION, AND MODERNIZATION OF THE REGIONAL INFRASTRUCTURE, ESPECIALLY IN TRANSPORTATION, TELECOMMUNICATIONS, AND ENERGY, TO INCREASE THE EFFICIENCY AND COMPETITIVENESS OF PRODUCTIVE SECTORS AT NATIONAL, REGIONAL, AND INTERNATIONAL LEVELS.

SOCIAL

1. ELIMINATE FORMS OF DE FACTO OR LEGAL DISCRIMINATION AGAINST WOMEN IN ORDER TO IMPROVE THEIR SOCIAL STATUS AND LIVING CONDITIONS.
2. REDUCE EXTREME POVERTY, ESPECIALLY THROUGH THE CREATION OF JOBS.
3. RELOCATE, IN AN APPROPRIATE MANNER, THE REFUGEE, DISPLACED, AND UPROOTED POPULATION IN A SAFE AND STABLE CENTRAL AMERICAN AREA SO THAT THEY CAN EXERCISE ALL THEIR RIGHTS AS CITIZENS AND IMPROVE THEIR LIVING CONDITIONS WITH EQUAL OPPORTUNITIES.
4. INCORPORATE THE CRITERIA OF PROVIDING SUBSIDIES, COMMUNITY SOLIDARITY, MUTUAL RESPONSIBILITY, AND SELF-MANAGEMENT IN POLICIES TO TACKLE POVERTY THROUGH DEVELOPMENT, COMMUNITY PARTICIPATION, DECENTRALIZATION, AND ECONOMIC AND ADMINISTRATIVE DECONCENTRATION OF THE STATE.
5. PROMOTE, ON A PRIORITY BASIS, INVESTMENT IN THE INTEGRAL DEVELOPMENT OF HUMAN BEINGS.

CULTURAL

1. UPHOLD ETHICS THAT PROMOTE AND STRENGTHEN SUSTAINABLE DEVELOPMENT.
2. STRENGTHEN THE DEVELOPMENT OF THE NATIONAL IDENTITY WITHIN THE FRAMEWORK OF CULTURAL AND ETHNIC DIVERSITY.
3. PROMOTE, PROTECT, AND TAKE ADVANTAGE OF CULTURAL AND NATURAL PATRIMONIES IN AN APPROPRIATE MANNER.
4. ENCOURAGE CULTURAL EXPRESSIONS THAT FACILITATE HARMONIOUS RELATIONS WITH THE ENVIRONMENT.
5. FOSTER AN EDUCATIONAL SYSTEM FOCUSED ON THE AWARENESS AND SUSTAINABLE EXPLOITATION OF NATURAL RESOURCES.
6. FACILITATE THE RESTORATION AND RETURN OF CULTURAL ASSETS THAT HAVE BEEN ILLEGALLY EXPORTED.

ENVIRONMENTAL

1. COORDINATE AND MODERNIZE ENVIRONMENTAL GUIDELINES, LAWS AND CORRESPONDING NATIONAL INSTITUTIONS.
2. REDUCE THE LEVELS OF AIR, WATER, AND SOIL POLLUTION THAT ADVERSELY AFFECT LIVING CONDITIONS.
3. PRESERVE, LEARN, AND USE THE BIODIVERSITY OF THE REGION TO PROMOTE, AMONG OTHER THINGS, THE DEVELOPMENT OF BIOLOGICAL CORRIDORS AND PROTECTED AREAS, CENTERS OF BIODIVERSITY, AND BIOLOGICAL GARDENS.

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4. STRENGTHEN THE C. PACITY TO REGULATE, SUPERVISE, AND IMPLEMENT ENVIRONMENTAL NORMS, AND THE REGULATION OF CRIMES AGAINST THE ENVIRONMENT.
5. RAISE SOCIETY'S AWARENESS AND PARTICIPATION BY INCORPORATING ENVIRONMENTAL ISSUES INTO FORMAL AND INFORMAL EDUCATION.
6. CONSISTENTLY REDUCE THE RATE OF DEFORESTATION AND SIMULTANEOUSLY PROMOTE PRODUCTIVE FORESTRY ACTIVITIES AT THE REGIONAL LEVEL.
7. CORRECTLY MANAGE THE HYDROGRAPHIC BASINS TO GUARANTEE THE VARIOUS USES OF WATER RESOURCES, AS WELL AS THEIR QUALITY AND QUANTITY.
8. PROMOTE REGIONAL DISCUSSION OF COMMON POLICIES REGARDING NEW ENVIRONMENTALLY COMPATIBLE PRODUCTS, GREEN SEALS [SELLOS VERDES], AND ENVIRONMENTAL IMPACT STUDIES.
9. PROMOTE SUSTAINABLE DEVELOPMENT PROJECTS IN BORDER AREAS.

MANAGUA, NICARAGUA, 12 OCTOBER 1994

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Cuba

Castro Discusses Emigration, Achievements

LD2110040794 Paris France-2 Television Network in French 1950 GMT 20 Oct 94

["Exclusive" interview with President Fidel Castro by Jean-Luc Mano, France-2 news and current affairs director, in Havana, date not given—recorded]

[FBIS Translated Text] [Mano] Good evening, Mr. President, and thank you for receiving us here just a few steps away from your office. Cuba has been going through a crisis of which much has been said in Europe and in the world, the crisis of the balseros, the people who have left, who have fled from Cuba and who have moved a large section of international opinion. I would like to ask you: Do you believe the crisis to be over, or is this just a lull?

[Castro] This is a situation that has been going on for years, and at present the main factor prompting the mass exodus is of an economic nature. And it is fundamentally a consequence of the U.S. economic blockade against Cuba.

In these circumstances three factors came together: first, the general trend of emigration from the poor countries to the rich ones; Second, the unceasing encouragement by the United States, as a component part of its hostile policy towards Cuba, of illegal emigration from Cuba; and third, the special period we are going through, a really very difficult period from the economic standpoint.

These factors have fostered the emigration, the illegal departures from the country; and these factors are still in existence. We are going through one of the most difficult periods any country has ever endured. We're here right next to the United States, the world's most powerful country from the economic, political, and military standpoints. And I believe that our country has been writing a page—in spite of these difficulties—has been writing a truly heroic and glorious page of its history.

[Mano] Is what has happened not also a sign of a failure along the path along which you have steered this country and which you have imposed on this country for 35 years?

[Castro] You cannot judge a country, nor a country's ideas, nor a country's system, when you are endeavoring to prevent its development at all costs. It is not fair to judge Cuba on the one hand and, on the other, attempt to drown and stifle it, to bring it down by famine and disease. It is not a question of judging Cuba, but rather of judging those who have tried at all costs to prevent the development of our country.

These events, this mass emigration, do not negate, can absolutely not negate, the huge significance of the revolution to our people. Nor can they negate the capacity of resistance shown by our people for almost five years now since the disappearance of the socialist bloc. Everyone thought the revolution would not last at all, and yet it has endured. This not a sign of failure, it is a sign of success.

[Mano] Does the fundamental problem not lie precisely in the fact that Cuba lived above its means with the help of the Soviet Union, and that now finally, as we say in the West, the cost of things has caught up with you?

[Castro] That is partly true. That is to say, our country made social achievements which went beyond its economic development. But that was due indeed to the existence of the socialist bloc and of the USSR, from whom we got fair prices for our products—sugar, nickel, our exports in general—and from whom we got credit, financing, raw materials, fuel. We cannot be criticized, we cannot be blamed for taking advantage of those favorable circumstances to work for our country's economic and social development.

[Mano] You know that some of your opponents, your adversaries, say that in the final analysis the blockade is your best ally, because it enables you to divert your own responsibility for the situation onto the shoulders of the United States. Is the Cuban regime totally error-free? Has it not made mistakes?

[Castro] No no, I cannot say that the Cuban regime has not made mistakes. No human endeavor is free from error, but I would say that the revolution made an extraordinary effort for the people within a specific historical context which no longer exists, which obliges us now to adapt to the present circumstances.

[Mano] You are therefore going to launch a certain number of reforms. Specifically you are going to initiate reforms of economic liberalization, a little bit of free market, the decriminalization of holding U.S. dollars. Does this mean that Cuba will be taking a new course, a new course that will bring it closer to the market economy?

[Castro] Well, we have not renounced our principles, our ideals. In the present special circumstances we have set ourselves as fundamental tasks the defense of the homeland, the defense of the revolution, and the defense of the gains of socialism. We cannot say that at present we are in a position to carry on building socialism: We are compelled to adapt our work, our economic endeavors, to the present world reality.

So, well, you said a short while ago that in these circumstances the blockade served as a pretext. So, if the blockade really is our ally, why does the United States not lift it? Because even the changes and reforms we want to introduce are being hindered by the blockade. But it is no ally of our country; On the contrary, the blockade burdens our country's life, our country's economy, with the weight of the entire Himalayas.

We are not renouncing our ideals. There is a long way to go before we could be said to be moving towards a market economy. And in this regard perhaps one day we

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may find ourselves compelled to speak –as the Chinese do—of a socialist market economy.

[Mano] If I understand you rightly, to be a revolutionary in Cuba today means to be able to adapt and perhaps to change course?

[Castro] All changes are possible. Plenty of changes have occurred in history. But what the Cuban Revolution cannot renounce is its principles and the power of the people, nor the goals set for the benefit of the people. Apart from that, I do not know what you mean by changes in leadership. If you mean changes in the responsibilities that fall to each one of us, we are none of us eternal, not those in power, nor those outside. But the power of the people is something that can never be renounced.

[Mano] Setting aside what the political leader in you would say, what did you feel, as citizen of this country, when you saw those people leaving in those makeshift vessels, what did it do to you deep down?

[Castro] We grieved, really. We could not but grieve. Cuba has a 3,500-kilometer coastline, well, 3,400 kilometers approximately. It is impossible to keep 3,400 kilometers of coastline under surveillance when encouragement is coming from the outside for people to go to the United States.

[Mano] You talk passionately about all these problems. Would you be ready to meet the President of the United States and to speak to him about these problems and would he be welcome if he wanted to come here?

[Castro] It is difficult for me to answer this question because it could be alleged that I suggested a meeting with the President of the United States. I think the President of the United States should be asked in the first instance if he were ready to meet me; then you are asking another question. If he wanted to come here, well, we would be delighted to welcome him. We will welcome him as we welcomed you. But we are not saying to him: Come to Cuba. We are saying to him that if he wanted to come to Cuba, if he wanted to get in touch, if he wanted to discuss things with us, we don't have any objection.

I am not proposing a meeting with the President of the United States.

[Mano] Today a few kilometers off your coast, the U.S. Army is installing a regime that was democratically elected. Would you not think that times have changed?

[Castro] We don't agree with the intervention in Haiti because we believe in the sovereignty of every country. I think you, the French, would not agree with foreign troops intervening to restore democracy. Because I don't know which sort of democracy one can implement with bayonets, and what kind of democracy can one implement in destroying the sovereignty of a country; this is a problem.

We sympathize with Aristide. I think he is an excellent person. I think the fact that he returned home carried on the shoulders of the American soldiers has undermined his authority and prestige. This is why I would have preferred a different solution to the problem of Haiti, different from the military intervention. From this point of view we are opposed to this intervention.

[Mano] Listening to you, one has the feeling that you are nostalgic for the period of the bipolar system?

[Castro] Yes, I am nostalgic, I don't agree with the unipolar system and you would not agree with it yourself, because all these norms, these interventions are applied to the Third World countries. If the country in question were a nuclear power, the UN Security Council would not have decided in favor of a military intervention, because a military intervention would trigger a nuclear war. I am nostalgic because I cannot imagine a world being ruled in this way, a world under the hegemony of one superpower. No, I cannot resign myself to this fact. You are a nuclear superpower, you are respected because you are powerful. But can the Third World countries expect the same? No! However, we are defending our country even though we do not possess nuclear weapons. We are preserving our independence, sovereignty, and our revolution without nuclear weapons because we only possess moral weapons.

Before, we were described as a satellite of the Soviet Union. Today we could be described as a solitary star, like the star of our flag with its own light, but nobody could say we are a satellite. Now we could be told that we are nostalgic.

[Mano] Not to be a satellite of anybody is a positive thing, but to be isolated is difficult. Do you feel very isolated today?

[Castro] Well, I feel relatively isolated. We have many friends in the world. Among them is a country with 1.2 billion inhabitants, that is China which is our friend. Vietnam with its 70 million inhabitants is our friend. In Africa, there are hundreds of millions of people who appreciate the efforts deployed by Cuba for the liberation of Africa and for the fight against apartheid which has succeeded. There are also the people of Latin America who belong to our culture, with whom we share the same blood and who expect a lot from the triumph of the Cuban revolution or expect at least that the revolution should be able to survive. There are a lot of people in the world who support us. It does not matter if they are modest people. They are not the owners of powerful means of communication, but they support us and we do not feel alone. Anyway, if we had to chose between loneliness and dependency, we would chose loneliness but we will not give up independence.

[Mano] We realize that you do not expect a lot from your relationship with the United States. On the other hand, regarding Europe, are there any prospects, do you regard it as a way of side-stepping the American obstacle?

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[Castro] We are interested in seeing an independent Europe. That is what we want, an independent Europe. We are not interested in an Europe subordinated to the United States. To the extent that Europe will develop, that it will become integrated, that Europe will remain independent, it will act as a counter-weight in this monopolarized world. And, of course, to the Third World countries Europe's development provides a certain guarantee that they will not be exclusively dependent on the United States, a certain guarantee of independent development. This is really what we expect of Europe. Not just Cuba but all the Third World countries.

[Mano] As you know, in Europe many countries link the question of development and cooperation to the question of democracy and human rights. And as you know, Mr. President, your country has a poor reputation in this sphere.

[Castro] The question should be asked of who has given Cuba a poor reputation, and with what means that was done. Why is everything that Cuba has done for human rights denied? Why is everything denied that Cuba has done in the political sphere? Why do they deny, for example, the social advances achieved by Cuba and by no other Third World country? Why is the fact denied that the revolution saved the lives of hundreds of thousands of children by bringing child mortality down from 60 to ten percent? Why is it denied that Cuba, a Third World country, has a public health system that stands comparison with the most developed countries? Why is it denied that Cuba has liquidated racial discrimination? Why is it denied that Cuba has brought equality and fraternity to all its citizens? Why is it denied that Cuba was able to send doctors not only to its fields and its mountains, but also to other countries? Why is it not recognized that Cuba has the highest number of doctors per capita in the world? Why is it not recognized that Cuba has the highest number of teachers per capita in the world? That it is the country that has most developed education and public health in recent years? That it provided jobs for all its citizens? That it protects all of its citizens? Why is it not recognized that there are no death squads in Cuba? That there is no torture in Cuba—in fact the opposite claim has often been made and is one of history's greatest infamies.

I believe that no other country and no other revolution—not the French Revolution, not the Russian Revolution, not any other country's revolution—was more humanitarian than our revolution. There is no instance in Cuba of a priest being shot by a firing squad. How many priests did you, the French, shoot at the time of your revolution? In Cuba there was not such a single instance, not such a conflict. I can assure you that it never happened in Cuba, and our people know it because they have been educated with ethics and principles.

[Mano] You know too that your opponents—and you have them too even here in Cuba—say that it is also the country with the most prisoners per capita. For political reasons.

[Castro] Perhaps... [pauses] Oh no, not political—that I totally deny. There was a time when there were many political prisoners, in the first years of the Revolution. But as time has gone by—we ourselves put them in prison, at the time of [Playa] Giron [Bay of Pigs], when they were seeking directly to destroy the revolution and plotting acts of violence and sabotage against the country. It was our duty to defend ourselves, and there were a lot of political prisoners. Now there are scarcely any counterrevolutionary prisoners. I can't actually give you the figures because I don't know them exactly, but I can tell you that it is a very small number. No one can deny that.

But that depends too on what you call a political prisoner. It is a question of doctrine, a question of philosophy. Some of the greatest jurists do not ascribe the status of political prisoners to the counterrevolutionaries.

[Mano] Generally speaking, a political prisoner is a person you put in jail for not sharing your views.

[Castro] No, we do not have that kind of people here. We may have people in jail here for acts of sabotage, for plotting subversion and counterrevolution, for seeking to destabilize the country, for working in close cooperation with the CIA to destroy the revolution. And no one can deny our right to defend ourselves. And we have defended ourselves.

[Mano] You have spoken of upcoming legislative elections and what I would like to ask you is: Will there be several candidates, several political parties? Will the press be free? Will the elections be free?

[Castro] Several candidates, yes. People are ignorant of our electoral system, but I am absolutely convinced that it is much more honest, much cleaner, much healthier than the multiparty system. The single-party tradition originates from our independence struggle, from the Cuban Revolutionary Party founded by Jose Marti. This is the tradition, and we do not want to bring chaos, we do not want to fragment our country into a 1,000 pieces. That we are not prepared to allow.

[Mano] But among these candidates, some would say: We want to change policy; We want to change the government; We want Fidel Castro to leave—in fact this is what is being said throughout the world.

[Castro] More easier than in France! In France it is more difficult for a party that won the elections to say that it will change policy, or that it will change from the capitalist system to the socialist system. If the counterrevolution secured a majority, it would obtain a majority in parliament. Then it would be able to change policy, the revolution, and be able to change everything. But first, it will have to obtain a majority. This is why the

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revolution is fighting to maintain the support of the majority of the people. Of course, they can change policy.

[Mano] We will soon end this interview. You said earlier that nobody is immortal.

[Castro] Yes.

[Mano] You also said a few years ago that you were ready to leave in exchange of the lifting of the embargo. Did you say that without thinking or do you still think about it?

[Castro] What I said was the answer to a question by a journalist, that is as far as I am concerned I have no importance as a person. What matters to me is the homeland, the revolution, and socialism. That is what I said. I said my life had no importance, my head had no importance. But I think it is not a dignified thing to negotiate the role of a revolutionary. I made my position clear, I was not interested [in power] and I still maintain that position. In addition, I said that at the end of the embargo and at the end of the special phase, I would like to enjoy the freedom to decide instead of being what I have been so far: a slave of what I consider my obligations and my duty.

I have been fighting for 50 years now, since I was a student at university. These are many years of effort, work, and sacrifice. I often feel nostalgic for the old days. I feel nostalgic for not being free, for not having enough time to read or write, for doing different things other than this bitter work of politics. It is a hard and difficult work. But it is not up to me to decide when I should stop playing my role. It is up to the party, the National Assembly, and the government to decide. I think revolutionaries never retire. I think revolutionaries, writers, and doctors never retire. Politics has never rewarded us. No cadre of the revolution has enriched himself or possessed a bank account abroad and no official of the revolution possesses a single dollar. We can say this. Is there in the world a more honest government than the Cuban Government where no minister can be bribed? These are things that exists throughout the world, including the great Europe. We gained nothing from the revolution and politics. We gave them our lives, our time, and our tireless hours of fighting. We gained nothing in exchange and that is why we feel free.

There is one important issue. The revolution has acquired many new cadres. We opened the door to these new cadres. We would be very happy to see the revolution strengthened with new cadres that will achieve the same work as we did. I say this frankly to you.

[Mano] My last question...

[Castro] A last question? Are you already bored?

[Mano] No, but I don't want to monopolize your time. What do you think history will treasure from your personality. Will it be—as some of your friends say—the hero of the Bay of Pigs and the Sierra Maestra, or will it be—as the United States says—the dictator who was not able to introduce changes and alternation of power in his country?

[Castro] Well, it cannot be said that we have not changed the country, because no country has changed as much as Cuba. I am not interested in history because I am not vain. Many men went to war with history in their mind; they wanted to win military battles. However, all the victories of our revolution showed that we often preferred negotiation. We are after neither honors nor glory. History is relative; we trust history. But if you analyzed the history of the ancient world, you would see that the concepts changed throughout the centuries. The opinion on Julius Caesar has changed throughout the centuries. The opinion on Cicero, Catilina, and Brutus have changed a lot. [break in reception] Without going back to ancient world, let's take the French Revolution. Even the French people are not entirely in agreement on how to judge the French Revolution. For some, Marat was a revolutionary; for others he was a cruel man. Robespierre, Danton, all these figures of the French Revolution were judged in different ways. If history appreciates the real values, if it appreciates ethics, patriotism, the spirit of independence, sovereignty, and the capability for fighting and resisting, it should give an exceptional place to Cuba. I think there are fewer people who confronted so greater a challenge than the one met by the Cuban revolution. This is my opinion and history will testify. But in the end of the day whether it will appreciate us or not, history has an end, everything has an end. When the sun dies there will be no history. But even before the sun dies, mankind may meet its end on Earth as a result of the pollution of the environment by society, as a result of consumption by a civilization of which many feel proud and which is emptying the planet of its oxygen. Mankind may meet its end.

I think there is something more important than history, that is the opinion each one of has of his own actions. We revolutionaries should be critical and self-critical. We have firm convictions and a high opinion of what we have achieved.

[Mano] Good evening, Mr. President, and thank you for welcoming us here and for having agreed to be interviewed.

[Castro] So I haven't put any limit on you!! But you asked me quite a lot of questions!

Alarcon: Migration Talks To Continue 24 Oct

FL2010153794 Havana Radio Progreso Network in Spanish 1200 GMT 20 Oct 94

[From the "First Thing" program]

[FBIS Translated Text] Ricardo Alarcon de Quesada has stated that Cuba will participate in the second round of

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talks on migration with the United States, to take place on 24 October in Havana City, having strictly complied with the accord.

Says Meeting To Verify Accord

FL2010235394 Havana CHTV Television in Spanish 2302 GMT 20 Oct 94

[From the "Focus on Havana" program]

[FBIS Translated Excerpt] AIN reports that Ricardo Alarcon de Quesada, who will head the Cuban delegation to the talks on 24 October, says that the meeting will serve to verify fulfillment of the accord which both governments signed in New York on 19 September. However, Alarcon regrets that the U.S. side is already issuing visas. [sentence as heard]

A total of 20,000 visas will be issued to Cubans wishing to emigrate to the United States.

Among the issues to be discussed at the second round of talks is the status of those living at the Guantanamo camps and other military enclaves following their departure from Cuba in August and September. Alarcon also affirmed that Cuba will bring to the table its concern about actions beyond the U.S. Government's control, such as the recent events in the Caibarien region and the illegal arrival of 14 people of Cuban origin who wished to return to Cuba from Miami.

Alarcon On Reported U.S. Acceptance of Rafters

PA2010172494 Hamburg DPA in Spanish 1523 GMT 20 Oct 94

[FBIS Translated Excerpt] Havana, 20 Oct (DPA)—The Cuban state-owned radio station Radio Rebelde disclosed today that Ricardo Alarcon, head of the Cuban delegation to the migration negotiations with the U.S. Government, has rejected Washington's decision to receive certain rafters held at bases in Guantanamo and Panama.

"There should be no unilateral decisions such as those adopted by the United States over the past few days," said the former foreign minister and current president of the National Assembly (parliament).

A Miami-based anti-Castro radio station monitored in Havana has broadcast a report that an unspecified group of the 20,000 Cuban emigres held at U.S. military bases in Guantanamo and Panama will be admitted to the United States for humanitarian reasons.

The beneficiaries of this measure, which will be implemented through a guardianship program directed by the Office of the Attorney General, are individuals who are ill and their caregivers, children, and people over 70, said a White House source quoted by Miami's CMQ station.

According to Alarcon, the situation of these people will be examined during the second round of bilateral talks scheduled to begin in Havana on 24 October, which will be attended by the same delegation that signed the bilateral agreement of 9 September. [passage omitted]

Alarcon also mentioned the illegal return to the island of 14 Cubans who live in the United States.

"Cuba will attend that meeting and strictly fulfill the agreements established in the protocols signed by both sides in New York," said the diplomat, who on two occasions has represented his country at the UN General Assembly.

Although he regretted that the U.S. side has not yet started granting visas to Cubans interested in emigrating to the United States, he admitted that the United States is still immersed in organizational matters like a search for personnel to process the visas.

Regarding the fulfillment of the agreement, Alarcon feels the balance thus far is in the island's favor. Alarcon emphasized that the United States has the resolve to fulfill the agreement.

Regarding the restrictive measures implemented by President Bill Clinton on 20 August, Alarcon said "they are not included in the New York agreement."

Nevertheless, he added, it is difficult to talk about fulfilling the agreements if families cannot travel and communicate.

The measures implemented by the White House during the so-called rafters crisis also include an end to shipments of medicine, clothes, and food from emigres to their relatives on the island.

According to Alarcon, the topics of migration and the blockade are related to a number of issues, including money transfers, correspondence and telecommunications.

Party Official Discusses U.S. 'Radio Terrorism'

FL2110034294 Havana Radio Progreso Network in Spanish 1200 GMT 20 Oct 94

[Interview with Jorge Gomez Barata, specialist in the Cuban Communist Party's Revolutionary Orientation Department, by correspondent Jose Mayo; place and date not given—live or recorded]

[FBIS Translated Excerpt] [Mayo] The U.S. Government sponsors U.S. radio broadcasts targeting the Cuban Revolution. They invade our electronic space and harm our national sovereignty. They promote subversion and the violation of Cuban law and are aimed at destroying Cuba's revolutionary process. Cuban radio plays a decisive and transcendental role in confronting Washington's radio broadcasts. Jorge Gomez Barata, specialist in the Cuban Communist Party's Revolutionary Orientation Department, will be discussing Cuban radio's role in

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confronting this aggression. This interview is one in a series of interviews on U.S. radio aggression against Cuba.

Gomez, aside from Cuba, where else in the world is the United States as intense with its aggressive broadcasts?

[Gomez] The number of U.S. broadcasts aimed at Cuba is unprecedented. The United States never targeted Soviet bloc nations with their television broadcasts, yet they broadcast television specially designed for use against Cuba. The United States broadcasts over 1,700 hours of programming a week to Cuba. There are six mediumwave and 10 or 12—these come on and off the air constantly—shortwave stations. They are constantly broadcasting, most 24 hours a day. They have expanded by adding more mediumwave frequencies, as well as opening the FM signal. The number of U.S. radio broadcasts aimed at Cuba is unprecedented. It is hardly ever mentioned, but one very interesting thing is that the United States hears very few foreign radio broadcasts. They are protected by two oceans and only border Mexico and Canada. They also have very strong regulations about radio broadcasts near their borders. The United States hears almost no foreign radio broadcasts because of all of this. They receive practically no mediumwave broadcasts; as for shortwave, I have already pointed out that it is a huge country that is protected by two oceans. However, the very country that maintains strict regulations over its electronic space when it comes to its neighbors—Mexico and Canada—is the same country that aims that mass of broadcasts at Cuba through strong-arm tactics. It is a subversive project. Many people today, even in the United States, consider this a form of radio terrorism.

[Mayo] Do anti-Cuban broadcasts from the United States have an effect on the Cuban public?

[Gomez] The United States throws away a lot of money in this useless, inconsistent, and inefficient effort. It may have an effect on some Cuban listeners: I cannot say that it does not have an effect on certain segments of the population. We must examine this issue in a greater context. We cannot say that this radio aggression influences the public any more than we can say that aggressive U.S. policies toward Cuba have made the Revolution buckle or the population bow. Yet, we must not minimize their effect. We would be caught off guard. We must consider these radio broadcasts an important factor in the ideological and psychological war against Cuba. We must fight this but without underestimating it, because, I repeat, that would mean that we would be caught off guard.

[Mayo] What role does Cuban radio play in the fight against aggressive U.S. radio?

[Gomez] Cuban radio plays the main role in confronting this aggression. Cuban radio is competent and competitive and clearly reflects what is happening in Cuba. It has very agile news reports. It delves into problems. It is varied. It offers adequate programs at adequate times. Thanks to Cuban radio, the Cuban people do not feel the need to listen to foreign radio broadcasts to better understand their reality. Foreign radio has its place and an audience: This is understood because our people are interested in knowing what is happening in other countries. [passage omitted including indistinct portions]

Vice Minister Signs UN Development Program Accord

FL2110020094 Havana Radio Rebelde Network in Spanish 1800 GMT 20 Oct 94

[From the "National Radio News"]

[FBIS Translated Text] Representatives from Cuba and the UN Development Program [UNDP] signed an important accord today, following the four-day visit of Fernando Zumbado, UN under secretary general and UNDP regional director for Latin America and the Caribbean, to Cuba. Correspondent Juan Buria reports:

[Buria] Zumbado and Raul Taladrid, foreign investment and economic cooperation vice minister, signed the document at Jose Marti International Airport this afternoon. The accord supports Cuba's economic transformation and efforts to maintain basic services, primarily hospitals, and lays the groundwork for trade in the biotechnology and biopharmaceutical industries. Zumbado told national media before departing that although his days here were very intense, the signing of this important accord and much more had been accomplished. Zumbado said that he was very impressed with what he had seen in Cuba and that he would support Cuba through this agreement.

Mexican Concerns Over 'Rising U.S. Xenophobia' Noted

FL2110014694 Havana Radio Rebelde Network in Spanish 0000 GMT 21 Oct 94

[From the "Exclusive" program]

[FBIS Translated Text] Mexican authorities, government and opposition parties, and the church are among those who condemned rising U.S. xenophobia on 20 October. Arizona deported 105 Mexican citizens on 19 October, while California took steps to return thousands of people to Mexico last week. Mexicans consider these actions clear evidence of a rise in discrimination and racism in the United States. Ulises Macias, president of the Human Migration Commission connected to the church, said that authorities on both sides must get together and hold high-level talks on the issue as soon as possible.

Brazilian Delegates Review Meeting With Castro

FL1910003794 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 17 Oct 94

[FBIS Translated Text] A delegation of Brazilian reporters, intellectuals, and actors, who have been in

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Cuba for a week following their arrival on the inaugural flight of the San Paulo-Rio de Janeiro-Havana route, returned to Brazil on 17 October.

This report from Jose Marti International Airport includes their comments minutes before their departure.

[Begin recording] [first speaker, in Portuguese] Cuba is undergoing one of the worst crises in its history. However, it is fighting hard to achieve a just society, and to become a more balanced country. I am certain that the Cuban people will attain their goal.

[Second speaker, in Spanish] I am very happy and moved. Fidel Castro met with us yesterday, perhaps because I asked to meet him during my television appearance. Cuba has welcomed us with open arms. Thank you very much. A kiss and my love to all.

[Third speaker, in Portuguese] I fulfilled a dream because I was able to see the commander in chief. I am very happy and hope to come back soon.

[Fourth speaker, in Portuguese] I met Fidel Castro and discussed my performance as an actor. He told me that he learned a lot about acting watching my work. Imagine that! He is very generous. [end recording]

Let us see some images of the meeting held by President Fidel Castro with the Brazilian delegation at the Revolution Palace on 16 October.

[Video shows President Castro greeting Brazilian visitors, walking side by side with them, and embracing each one. Castro is also shown sitting at a conference table with members of the Brazilian delegation, signing autographs, and posing for pictures with the group. He seems in good spirits, and walks steadily. Video is accompanied all along by the theme song from the soap opera, Felicidad.]

'Straight Talk' on Currency Situation, Expectations

FL2010182894

[FBIS Editorial Report] Havana Radio Rebelde Network in Spanish at 1700 GMT on 18 October carries its "Straight Talk" program with host Carlos Santana Ojeda and reporters Renato Recio, Eloy Cencepcion, and Osvaldo Rodriguez.

Santana begins the discussion by asking Renato Recio about the factors which demonstrate that the Cuban peso has begun to gain value. Recio points out that one can see in everyday life how the peso has gained value. He goes on to try to explain the causes: "We cannot be sure of the specific causes for this phenomenon. However, I can point out one cause. I believe the phenomenon is based on the fact that the economic measures applied in Cuba to stabilize the domestic economy, even though they are just at the beginning, have produced a phenomenon of confidence among the people in the value of the peso. In other words there was a time when the people had practically lost confidence in the Cuban currency. Now people have confidence that the Cuban currency will gain value. This is a favorable expectation. Remember that expectations carry a lot of weight in the evaluation of the economy, in other words, in the forecast that people make of future processes."

Eloy Concepcion agrees with Recio and points out that street vendors are now demanding pesos for their products. He says: "The other day I saw some street vendors who did not want payment for their products in dollars. They insisted on being paid in pesos. This is an encouraging sign. I have also seen this phenomenon at the farmers' markets. There is a kind of rejection of dollars and a kind of insistence on pesos."

Osvaldo Rodriguez points out that this a positive sign in the economy. He notes: "Economists say that nothing is more objective than finances." He goes on to talk about the positive effect that this has in the economy: "I believe that the mere fact that there is an expectation of the Cuban peso gaining value automatically has an influence on the individuals which brings about the reaction that Eloy was talking about."

Rodriguez then points out that a series of measures have influenced this attitude among the population. He mentions as an example the efforts made to collect the excess currency in the hands of the population and says: "Approximately 10 percent of the excess liquidity has been collected. We have collected a little more than 1.2 billion. This was at the beginning of September. This figure must be up to 1.5 billion now. But there are still 10 billion pesos or more in the hands of the population."

Recio points out an objective factor that could have been negative for the economy: "We have been talking mostly about subjective expectations. In other words, what people think and what they forecast for the future. I wanted to talk about another type of expectation that could work against us. As everyone remembers, U.S. President Clinton recently suspended remittances to Cuba. He suspended and prohibited them. This could have created an opposite expectation. In other words, it could have created the expectation that since there are fewer dollars in circulation they have a higher value. We are talking about two contrary expectations. Obviously the expectation that the Cuban peso is gaining is prevailing."

Concepcion then adds: "We are in a difficult economic situation. We cannot fool ourselves. We cannot create false hopes nor should we believe that everything is solved. On the other hand, there is a reality that we cannot ignore: The internal economy is beginning to give signs of a recovery. Its most eloquent sign is the farmers' market." He concludes by saying: "People now have products to purchase with the peso. That is an element that is very important and people know that the peso will gradually continue to increase in value."

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Sugar Minister Meets With Las Tunas Unit Leaders

FL2110024494 Havana Radio Rebelde Network in Spanish 0000 GMT 21 Oct 94

[From the "Exclusive" program]

[FBIS Translated Text] Sugar Industry Minister Nelson Torres met the leaders of all Las Tunas Province sugarcane basic cooperative production units [UBPC] on 20 October on the need to replace custodians with UBPC workers appointed as guards:

[Begin Torres recording] When the UBPC manages to inspire ownership mentality, and members start defending what belongs to them, they realize that custodians are excess baggage: They do not produce but merely guard and increase UBPC expenses. [Words indistinct] UBPC workers can be housed in areas where sugarcane must be protected. They can protect the areas themselves. [end recording]

Torres also discussed incentives for agricultural workers who participate in the harvest that begins in November, saying that men and women will get monthly supplies of soap, laundry detergent, razor blades, and oil. Torres also said that the stores in which the best workers are allowed to shop will be improved. He added that decentralized salaries, which can be used in a most beneficial and adequate way in each sugarcane mill, will be maintained. Regarding harvest leaders and mills achieving goals, Torres said that they will continue to receive tourism incentives in one- to five-star hotels and other installations. They will also receive home appliances, motorcycles, and bicycles, as well as 1,500 housing units. Cuban workers receive 25 million pesos in incentives each year, 15 million of that going to sugarcane industry workers. Torres also discussed other issues, including planting, cleaning, and other UBPC activities.

Sugarcane Cooperatives Urged To Work Harder

FL2010131494 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 20 Oct 94

[From the "NTV" newscast]

[FBIS Translated Text] Pedro Ross Leal, secretary general of the Cuban Workers Federation [CTC], has participated in several economic efficiency assemblies at sugarcane Basic Cooperative Production Units [UBPC] in Ciego de Avila. The assemblies focused on the need to put the most emphasis on sugarcane tending chores.

Fulfilling the work day and the need to increase productive levels are imperative issues of discussion at the assemblies. Pedro Ross Leal referred to these issues.

[Begin Ross recording] The first food staple we have to produce is sugarcane! It is sugarcane, in addition to your own food and that of your families. However, in order to do this, we have to fulfill the work day because if we do not work a minimum of eight hours, or even much more, the cooperative will perish. Likewise, the cooperative has to endeavor to surpass everything attained before. [end recording]

As part of these discussions, the workers of the Ilusion UBPC in Ciro Redondo Municipality agreed to pull guard duty themselves in order to free night custodians for other productive work. Meanwhile, workers at the Santa Lucia UBPC, agreed to become responsible for 100 percent of the manual cutting chores in the next harvest and thus eliminate the need for mobilized volunteers and the expenditure this implies: 245,000 pesos were spent on mobilized workers during the last harvest.

This is precisely the goal of the assemblies—the search for ways to do more with the available resources, and, above all, increasing the worker's awareness of the economic indicators on which efficiency lies.

Tobacco Planting Begins at 2 Production Units

FL2110022594 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 20 Oct 94

[Report by Hilda Suarez; from the "NTV" newscast]

[FBIS Translated Text] The 1994-95 tobacco planting season began on time and in good form today at two of the Lazaro Pena tobacco enterprise's basic cooperative production units [UBPC]. It began on schedule, almost 20 days earlier than last year's campaign. The planting is not being rushed. The planting schedule is part of a thorough program designed to ensure optimum use of the land with the available resources:

[Begin recording] [Lazaro Pena Director Humberto Gonzalez] Soil preparation this time around was absolutely superior. The soil has been worked much more. The more it is worked, the better it gets. The soil was full of big clumps when we planted last year, affecting quality. [end recording]

He also pointed out that everything needed for the planting campaign is on hand: fertilizer, shading cloth, batteries, and quality seedlings. The Lazaro Pena enterprise is a joint enterprise that has Spanish and Dutch financing for the planting. They have 65 caballerias in production and an adequate labor force in the 11 UBPC, the Youth Labor Army, and mobilized contingents from both Havana provinces. Havana's 700-strong Lazaro Pena contingent was formally established today and will tend 25 of the enterprise's caballerias:

[Begin recording] [Contingent Chief Herminio Fernandez] Our contingent knows tobacco: We have been working the tobacco fields for over 14 years. A significant number of comrades in our contingent have worked in the tobacco industry for several years. [end recording]

This Havana Province contingent, which will carry out the campaign with 27 highly productive groups, is committed to harvesting 1 million drying poles of tobacco on 59 plantations.

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Effects of Antiprofiteering Law Viewed

FL2010183994 Havana Radio Rebelde Network in Spanish 1700 GMT 14 Oct 94

["Straight Talk" program with host Carlos Sanabria and guest Jose Alejandro Rodriguez from the weekly JUVENTUD REBELDE]

[FBIS Translated Text] [Sanabria] Decree-Law 194 on profiteering was issued last March. What has happened so far? That is the question on everyone's mind. Is it still being implemented?

[Rodriguez] Yes. What happens is that many people do not see, first hand, the implementation of the decree.

[Sanabria] We hardly hear about it anymore.

[Rodriguez] Also, because people see the implementation of this decree as another campaign of the day, with an ephemeral moment in time. This is because of the tendency we have shown at times to implement things emotionally at certain times and then leave them aside. I believe people think the implementation of the decree has passed on. The people no longer see its implementation because they no longer see flash police raids, or a certain repression against moneybags. Actually, what is happening is that the decree, since it was drafted in May, does not seek to be a show or a momentary campaign. It is a decree law that is here to stay, to become a permanent fixture of our lives, our reality. Additionally, its implementation has been guided by very precise and inviolable judicial rules and principles. There is no rush or hurry to implement the decree. This is what I have observed.

[Sanabria] Is the decree being implemented? What results have been attained? Do you have this data?

[Rodriguez] Yes. As of 14 September, properties, and monies valued at more than 24 million pesos had been confiscated. The finance minister had issued 88 confiscation rulings as of 14 September. This might seen small to our audience. However, one of the characteristics of this process is its thoroughness. The first phase, the creation of the files by the prosecutor on the people involved in this crime, is very thorough and requires study and investigation. The second phase, the confiscation ruling by the finance minister according to the result of the investigation on the illegal origin of the wealth, also requires a commensurate and in depth analysis in order to avoid extremism, or witch hunts. That would be counterproductive and would decrease the prophylactic value of this measure.

[Sanabria] You mentioned 88 confiscation rulings and explained that goods worth 24 million pesos have been confiscated. Now, where do these confiscated goods end up? What has happened with these goods and why have the people not been told?

[Rodriguez] I believe this is a natural concern of the people. Why has information on this not been released? Yet, the law establishes that all the confiscated goods, following the investigation phase, become part of the national patrimony. Where do they end up? First, it is the responsibility of the provincial governments, who are given custody of these goods. The provincial governments have the power and duty to use these goods for social programs. This seeks a highly political end. For example, the first benefactors are the education and health sectors. A vehicle, a piece of equipment, a color television, for example, the priorities are the education and health sectors. However, jewelry, or art objects of which as everyone knows amazing things have been discovered, those are transferred to the national patrimony, because they are not utilitarian objects per se. In the case of homes, for example, some can be used, depending on how luxurious they are, as social facilities or child care centers. Regular homes are transferred to the housing authority but can never be given to officials or political leaders—this is specified in the guidelines I have consulted at the Finance Ministry. These homes are to always go to the people.

[Sanabria] Not telling the people what is happening with those homes I see as a weak point in the implementation of Decree-Law 149. Many people think these homes are being issued to officials, party leaders. Why is this not reported? Who is in charge of releasing this information?

[Rodriguez] First of all, we as reporters must feel partially responsible for this. This is precisely why I am here talking with you, because I have a need to pass this information on. Others must also do so.

[Sanabria] I believe there is need for a certain mechanism. Many times our strategies are not accompanied by a study on communication. At times when we take a measure we do not accompany it by an awareness of the importance of communication. This is happening now. For example, provincial governments have been instructed to make this public. Yet, in my municipality, I do not know what has been done with confiscated goods.

[Rodriguez] You are right. There is a veil of silence, and we all know the slogan: The worst opinion is silence.

[Sanabria] Silence feeds the petri dish of intrigue, and misunderstanding. When the people have no basis for an opinion, they have nothing on which to stand. This promotes wild flights of the imagination.

Another question many of us have is: Will this decree solve this whole problem of profiteering?

[Rodriguez] First, I have to specify something. I believe it is essential not to confuse profiteering with other realities we are beginning to and will continue to experience. The farmers markets are operating, and there is also the self-employment option. There are a series of parallel labor options and new income sources. We are going to coexist with sectors of the society with higher incomes. We must not oversimplify this reality.

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[Sanabria] Yes, but those people have the authorization. The source of their income is clear.

[Rodriguez] Exactly. Their income results from honest work. You can make thousands of pesos from the sweat of your back. We must learn to respect this. I am saying this because at times we have a tendency to oversimplify and generalize. We must make sure that no one thinks that the man selling items in the farmers market—who is under the control of the state, and has to pay taxes, and for a space in the market.... ¡pauses] I wanted to clarify this because we tend to form a conga line and make mistakes by oversimplifying the reality. Yet, these are formulas approved by the state and formulas which with we have to live.

You asked me if the decree will put an end to that profiteering, that wealth of dubious origin. No decree can end such phenomena. We have approved hundreds of decree-laws in the past. A judicial or administrative measure does not solve a problem. I believe it will help but the essential problem is to reach the root which encourages this corruption and activities which affect our people so. The problem is that our economy has to solve once and for all—there is no other alternative—the problem of controls because the items that feed that profiteering come from our state warehouses. In Cuba, plastics are a state resource, and are stored in the warehouses, and no one is to send plastic from abroad, plastic is not smuggled in by the coast at night. Therefore, we have to reach the root of the profiteering. We have to study what distorting phenomena facilitates the ruffian's success over the honest people.

[Sanabria] I wanted to ask about the guarantees the people affected by Decree-Law 149 have. I have heard that these people cannot defend themselves, that they have no recourse. Is this so?

[Rodriguez] No, this is not so. This is a two-phase process. I mentioned the prosecution phase and the finance phase. In either phase the process has been thought out and paced well. The process requires checks, proof, and the people affected even have legal guarantees. They have appeal recourses. There have already been seven cases of people who have appealed to the finance minister and have had part of the goods confiscated returned. This shows you the guarantees the people have, such as showing the legal origin of the goods within 10 days. This is a steadfast process. It is not an emotional campaign, nor a wild witch hunt. I also want to add that this is also not foreign to all the other measures begin taken. We are not going to solve the profiteering problem unless we also solve the problem of excess currency, if we do not reactivate labor as the premise to well being. Until we solve this problem we will see this phenomenon. In order to put the moneybags away, we first have to put the economy in order.

[Sanabria] Thank you very much for your straight talk about Decree-Law 149.

Haiti

Aristide Signs USAID Accord, Hints at Premiership

FL2110001194 Port-au-Prince Radio Metropole in French 1600 GMT 20 Oct 94

[FBIS Translated Text] President Aristide and a U.S. official signed an agreement in Port-au-Prince on 19 October on delivery of the first $15 million in aid that USAID has granted to Haiti. Mark Schneider, USAID official responsible for Latin America and the Caribbean region, signed the agreement which will allow the Haitian Government to function during the first crucial months of the return to democracy. The first installment of the $45 million in aid will be put toward the balance of payments and importing oil products which Haiti desperately needs. Guy Delva reports:

[Begin recording] [Delva] President Jean-Bertrand Aristide and Mark Schneider, USAID's assistant administrator for Latin America and the Caribbean region, signed a $15 million agreement following their meeting on 19 October. This is the first installment of a $45 million grant to be put toward the Haitian Government's balance of payments. The $45 million is part of the $200 million USAID has granted to Haiti for fiscal year 1995. President Aristide later told us what this agreement means to the Haitian Government.

[Aristide, in Creole] It reflects the willingness of two countries to work together, hand in hand, with respect. Money will help us promote democracy, lower the high cost of living, and hold elections.

[Delva] President Aristide will appoint a new prime minister in the days or hours to come. He hinted that the new head of government could be a woman: Claudette Werleigh, foreign minister in the Malval government, is at the top of the list. Werleigh discussed the promise of cooperation between Haiti and friendly countries following the signing of the agreement on 19 October.

[Werleigh] It is very important. It is a matter of starting over again for us. We must have funds to do so. We must pay our debts. Doors are officially opening to multilateral and bilateral operations. While this first act may involve the United States, it opens the door for international cooperation elsewhere.

[Delva] The president hinted that a woman might head the government. Are you ready to assume this post?

[Werleigh] The president may have hinted that it might be a woman, but I am not the only woman. The needs are enormous. The country needs people, hands, brains, and good faith. No one can save the country alone. There must be a team. Whoever takes this post must work with a government team and with the people to put the country back on its feet. He did not mention my name specifically, just that it could be a woman.

[Delva] Would you accept?

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[Werleigh] I would have to consider it.

[Delva] As Werleigh said, another chapter will follow. [end recording]

Aristide Announces 11-Point Program 19 Oct

FL2010162594 Port-au-Prince Signal FM Radio in French 1030 GMT 20 Oct 94

[FBIS Translated Excerpts] On 19 October President Jean-Bertrand Aristide announced an 11-point program that will have to be set up by his future prime minister. The Haitian president was speaking during his news conference at the National Palace, the first since his return to the Haitian capital on 15 October. The 11 points are the following: professionalization of the Army; a law on the creation of a police force separate from the Army, a law on decentralization, economic decentralization, restructuring of the public sector, legislative elections, the second presidential elections without coup d'etat thereafter, an institutionalized embrace between the government and the private sector, dynamization of the relations between Haiti and the international financial institutions, reinforcement and reform of the judicial power notably including intensive training for 1,700 judges, reinforcement of the parliament with a legal opposition that will help the executive through its criticisms, and formation of a tripartite commission between the government, the private sector, and the labor unions.

President Aristide also pointed out that he was listening to every Haitian, rich or poor. I am the president of both those who struggled for my return and those who did not want my return, he asserted. Besides Information, Culture, Coordination Minister Herve Denis, Interior Minister Rene Prosper and National Defense Minister Jean Beliotte stood beside the president during his speech. Strict security measures were set up at the palace entrance by the U.S. military with metal detectors and accompanied by dogs trained in the detection of explosives.

Four days after his triumphant political return from exile, the president called on 19 October for political consensus to succeed in his liberal economic reforms while continuing to maintain suspense as to the name of his future prime minister. In his first news conference, President Aristide clearly made it understood that the time of calls for class struggle—which he launched during his election in 1990—is over. As evidence of this new spirit of concerted action, Aristide promised that the bourgeoisie might have ministers in key posts but that he had not ended consultations on the name of the next prime minister. Do not have a grudge against me, do not have a grudge against me [repeats himself] if I do not tell you his or her name, the head of state mischievously stated. Among the 10 names—including that of Mrs. Claudette Werleigh, minister of foreign affairs—that are being rumored in Port-au-Prince, the Haitian president admitted that it was not impossible that the prime minister would be a woman. He assured that what has remained of the Haitian police and the Army since the deployment of thousands of U.S. soldiers had already taken measures to maintain order, an essential test which will allow the business circles to resume their activities while clamping down on the acts of violence committed by either side in the country. [passage omitted]

Asked about the role that the neo-Duvalierist Revolutionary Front for the Promotion and Progress of Haiti leader Emmanuel Constant might play, Aristide asserted that was is up to the Justice Department to render a verdict on his case. The president will listen to the Justice Department before giving his opinion.

Senate Passes Law Prohibiting Paramilitary Groups

FL2010133194 Port-au-Prince Signal FM Radio in French 1030 GMT 20 Oct 94

[FBIS Translated Text] Parliamentary sources report that the Haitian Senate on 19 October passed a law prohibiting paramilitary groups. The law approved by the senators stipulates that the financing, the organization, and the maintenance in whatever way of armed corps aside from those established by the Constitution and the law are prohibited. Any offender of this law will be sentenced to imprisonment. The law points out in its preamble that it is important to banish degrading practices and physical brutality against people from society and that the mission of the government is to work toward the establishment, the maintenance, and the respect of the fundamental freedoms of the citizens.

The main group at which this ban is aimed is the Revolutionary Front for the Promotion and Progress of Haiti, FRAPH. Its leader Emmanuel Constant eventually agreed to the return of President Jean-Bertrand Aristide, pointing out that he had abandoned the use of force after his militants—including one who was lynched by partisans of Father Aristide—killed or injured several people with gunfire on 30 September in Port-au-Prince.

Asked whether Constant might be or not part of the legal opposition, President Aristide said it is up to the Justice Department to give a ruling on his case. The president will listen to the Justice Department before giving his opinion, he added.

Deputies Accuse Aristide of Backing Abuse

FL2110005694 Port-au-Prince Signal FM Radio in French 1030 GMT 19 Oct 94

[FBIS Translated Excerpt] Lones Joseph and Geffrard Delicier, deputies of the 45th legislature whose lives have been uprooted, told the press on 18 October that they were manhandled by individuals who raided their homes in Delmas 19. The deputies pointed an accusing finger at President Aristide. They believe that the Haitian head of state's address to the nation upon returning

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to Port-au-Prince on 15 October prompted these and other attacks nationwide. Daly Valet reports:

[Begin recording, in Creole] [Valet] The deputies met the press in Parliament's diplomatic lounge on the afternoon of 18 October with teary eyes, sad hearts, and sober expressions. The speakers denounced the demonstrators' violent acts on 17 October, of which they are victims. Deputy Lones Joseph pointed an accusing finger at President Aristide while recounting the events, saying that Aristide prompted the people to commit such acts in the address he delivered on 15 October. The deputy is seeking political asylum in the United States for himself and his entire family. He asked: Where is the democracy that everyone is talking about?

[Joseph] Why have they started attacking opposition deputies only after the veiled reconciliation address? Were the opposition deputies not elected just like President Aristide was elected in the latest elections? Why does President Aristide not say anything or take any action? He does not raise his voice. Why can he not mobilize the people who obey him when he speaks? Why can he not ask them to give those opposed to his government a bit of a chance? I am not well. I cannot talk for long. I do not feel well after receiving so many blows to the head. I cannot stay. I must get to the doctor. I just wanted to tell you this and to let you know that I am in contact with the U.S. Embassy about getting political asylum for myself and my family. Our lives are threatened. I have had enough. I have a seven-month-old child, an eight-year-old child, and a six-year-old child. My parents are elderly. My wife is there. I am thinking about hiding with my brothers and sisters in the house. They have all gone into hiding. I cannot stay. I must protect myself and my family.

[Valet] Although Deputy Lones Joseph was elected deputy of the Delmas area under the National Front for Change and Democracy [FNCD] banner, the deputy left the FNCD to cooperate with the Alliance for Parliamentary Cohesion [ACP] until the de facto government of Emile Jonassaint came to power.

Deputy Geffrard Delicier, who was also sitting at the briefing table, condemned those who uprooted him. The deputy said that his house was destroyed, that all of his close relatives have gone into hiding, and that he received many blows from his attackers. Like colleague Joseph, Delicier blames President Aristide for the attacks meant to uproot him.

[Delicier] I have never been attacked like that in my life. [passage omitted]

President Aristide is responsible for my life. Friends and relatives who used to come to my house to talk to me are being chased by crowds that want to destroy them.

[Valet] Deputy Delicier is an active ACP member. While he sided with legislators close to Aristide during the Malval episode, he changed back into an Aristide opponent after Malval's resignation.

Many deputies are concerned about what happened to colleagues Lones Joseph and Geffrard Delicier, some actively denouncing the attacks. However, Deputy Fritz Robert Saint-Paul, who is an FNCD member, says the two victimized deputies were exaggerating when they blamed the 16 December president for their misfortunes. Deputy Saint-Paul believes that President Aristide meant it when he said that there must be no violence in the country. [passage omitted] [end recording]

FRAPH Leader Protests Aristide Remarks

FL2010154794 Port-au-Prince Radio Metropole in French 1045 GMT 20 Oct 94

[FBIS Translated Text] During his news conference, President Jean-Bertrand Aristide answered questions regarding FRAPH [Revolutionary Front For the Promotion and Progress of Haiti]. Questioned on whether Mr. Constant, the FRAPH leader, could be part of the legal opposition, President Aristide stated that it was up to the Justice Department to rule on Constant's case. The president will listen to the Justice Department before making a decision, President Jean-Bertrand Aristide pointed out.

Emmanuel Constant, the FRAPH leader reacted to that:

[Begin Constant recording] I protest, in the most formal manner, against the statements accompanied with threats from the president of the republic, Mr. Jean-Bertrand Aritide, attempting to denounce me to justice, violating the provisions of the laws governing the judicial procedure. I take the opportunity to reiterate my convinced faith in reconciliation, the only possible way out of the national crisis, which should have ended 15 October with the return to the country of the 16 December 1990 elected officials, if all the protagonists sincerely shared this same faith.

[Signed] Port-au-Prince, 19 October 1994, Emmanuel Gerard Constant, secretary general. [end recording]

Movement President Commits to 'Language of Nonviolence'

FL2010231094 Port-au-Prince Signal FM Radio in Creole 1030 GMT 20 Oct 94

[Remarks by Dr. Hubert de Ronceray, president of the Mobilization for National Development (MDN), in Port-au-Prince; date not given—recorded]

[FBIS Translated Text] It is not important whether we agree or disagree with the government. What is important is that we get to see what is being done in the nation's interest, in the interest of the greatest number. The MDN will continue to defend its ideas and respect others. The MDN will continue its work through the language of nonviolence and cooperation. Everybody knows that the MDN is a peaceful political party. The

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MDN will undoubtedly be able to move about as usual as long as we recognize the same language and code of conduct.

Fuel Distribution To Resume 20 Oct

FL2010163394 Port-au-Prince Radio Metropole in French 1045 GMT 20 Oct 94

[FBIS Translated Text] The distribution of fuel should start on 20 October in Port-au-Prince according to some sources close to ANADIPP [National Association of Distributors of Oil Products]. It should be noted that the government has fixed some new prices for oil products: 30 gourdes for a gallon of gasoline, 20 gourdes for one gallon of diesel fuel, and 16 gourdes for a gallon of kerosene. This decision was made on 19 October by the Malval government in agreement with President Jean-Bertrand Aristide. Thus after basically a year, the service stations should be able to resume functioning this Thursday in Port-au-Prince and most likely in the provinces by tomorrow.

The ship Valiant Express, which was due to carry this shipment of fuel, arrived in Port-au-Prince on 19 October. The shipment contains: 40,000 barrels of gasoline, which is 1.68 million gallons; 70,000 barrels of diesel fuel, which is 2.94 million gallons; and 40,000 barrels of kerosene, which is 1.68 million gallons.

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Salinas: Violating Migrant Workers' Rights 'Unacceptable'

PA2110044394 Mexico City Canal 13 Television Azteca Network in Spanish 0330 GMT 21 Oct 94

[FBIS Translated Text] The thorny issue of the situation of illegal workers living in the United States was addressed today at Los Pinos Residential Residence. President Carlos Salinas emphatically said that any attempt to jeopardize the human and labor rights of migrant workers is unacceptable. Jaime Guerrero has the story:

[Guerrero] The northern border is at the eye of a hurricane. The proposal to prevent illegal aliens from obtaining health and education services in California and the tougher practices of the Border Patrol are increasing tensions between Mexico and the United States. President Salinas met with several state secretaries, including Foreign Relations Secretary Manuel Tello.

[Begin Salinas recording] We are still concerned about the treatment given to migrant workers in the United States. [end recording]

[Guerrero] The immigration conflict took a front row seat at Los Pinos Presidential Residence.

[Begin Salinas recording] We believe that any attempt to jeopardize the human and labor rights of our migrant workers is unacceptable. Mexico will always defend the dignity of our fellow countrymen. [end recording]

[Guerrero] Proposition 187, initiated by California Governor Pete Wilson, will compel any employee [as heard] in that U.S. state to report to the authorities those who are believed to be illegal aliens. Voters will decide on this anti-immigration proposition on 8 November. Attorney General Janet Reno, however, said the U.S. Government has yet to take a position on this issue and added that Governor Wilson's proposition could conflict with U.S. federal laws.

Jorge Bustamante, a renowned immigration affairs expert, feels that the worst crisis between the United States and Mexico in the last 50 years is knocking at the door. He emphasized that Wilson is simply trying to win votes for his reelection bid by playing to Californians' xenophobia. Should Wilson win, he warned, very high-level bilateral relations will be hindered. A relationship that was supposed to be made closer by NAFTA is about to be broken. According to a study conducted by U.S. companies, some 500,000 Mexican workers are needed in the United States every year.

Democratic Congressman Ronald Coleman said that blaming immigrants for California's economic woes is ridiculous and shameful.

Meanwhile, Tijuana's Operation Dignity is gearing up to prevent people from crossing the border on 29 and 30 October. Bustamante said it is a political measure, but it will resemble an economic boycott.

Peace Commissioner's Letter to Bishop Ruiz

PA2110043394 Mexico City LA JORNADA in Spanish 19 Oct 94 pp 3, 8, 6

["Text" of letter by Jorge Madrazo, commissioner for peace and reconciliation in Chiapas, to Bishop Samuel Ruiz, peace process mediator, on 18 October]

[FBIS Translated Text] Mexico City, 18 October 1994

The Most Reverend Manuel Ruiz Garcia

Bishop of San Cristobal de las Casas, Chiapas State

Dear Bishop Ruiz:

As commissioner for peace and reconciliation, I am responding to the invitation expressed in the document entitled "Initiative for a New Dialogue," which you signed and made public on 13 October. That valuable document has since been under review in order to give a timely response to your important appeal and, in so doing, take a step forward in the dialogue effort.

As I have expressed to you on multiple occasions, Bishop Ruiz, the government is interested in resolving through dialogue and political negotiation the painful conflict that emerged in Los Altos and the jungle of Chiapas. Since the cease-fire was declared, we have not ceased to insist that the path of violence will never be a recourse for resolving our problems and that a politically negotiated solution is the way to solve our differences and disagreements.

The government has continually insisted on the dialogue, and the suspensions of it were never at the initiative of the Mexican Government. In view of the above, we welcome the efforts reflected in the document which we are hereby answering and which certainly exhibits profound reflection.

Your commitment, Bishop Ruiz, to a peaceful solution to the conflict is evident once again in your initiative for a new dialogue for which, owing to the purposes that inspire it, we are sincerely grateful, as the government will support every genuine peace effort. As you accurately stated in the prologue to your initiative, the new opportunities for meeting and communicating that are proposed must be based on "satisfactory and viable commitments."

So they can be viable indeed, the government, as well as the EZLN [Zapatist National Liberation Army], must undoubtedly undertake these commitments. Otherwise, we would face an unequal or asymmetrical relationship in which all obligations fall on one side and all rights and demands fall on the other. In our opinion, in order for the initiative you have presented to be truly viable and to materialize in the most immediate future, it is indispensable to reinforce it with the elements that are explained below, the same ones I ask you to analyze and consider.

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I. Conditions for a New Dialogue

Regarding the three conditions established in the initiative, they may be regarded as necessary but are insufficient to guarantee a political solution to the conflict. On the matter of the first two conditions mentioned in your document, I inform you that the president has ordered the Mexican Army to fall back not to the positions held on 23 March but to those of 12 January 1994, when the cease-fire was ordered. In addition, I will make a new call to the political parties that participated in the 21 August gubernatorial elections to reach an agreement on the procedure to resolve the complaints lodged against those elections.

In order to progress seriously and responsibly in the peace process, the government considers the following indispensable:

a) That charges made by communities in the strife-torn region which do not agree with EZLN strategies be investigated. Such charges include threats and hostile acts by the EZLN. If these charges are proven to be true, they must cease immediately. Also, Indians who have been displaced from their communities for the aforementioned reasons must be allowed to return to them with guarantees for themselves and their families, goods, and properties.

b) That the EZLN propose a method whereby communities which have requested social support from the government and which are located outside their reach can, in fact, receive that support.

c) That the EZLN formally disavow any connection with crimes committed by individuals who, from their attire, appear to be members of that organizations. Such acts have been carried out primarily in Teopisca and Tapachula.

II. Agenda for New Dialogue

Concerning the proposed subject, it is essential to keep in mind that the political reform that has been implemented is being discussed and will continue to be studied and debated in the future, for expanding and improving our democracy is of the utmost national importance and concerns dialogue and consensus among political parties, social forces, representative groups, and members of Congress. Undoubtedly, the EZLN's opinion, proposals, and expectations have to be collected, discussed, studied, and then handed in to Congress. In addition, it is essential to incorporate into the dialogue agenda an explicit and clear agreement on the terms for a bilateral cease-fire.

III. Procedures for New Dialogue

Regarding this point, I hereby request that you clarify the following sentence in your document: "Tying national issues to state and regional issues, dealing with problems and with participants, groups, and processes." This clarification is hereby requested, because there is no full agreement between the national situation and the local and regional situations. Consequently, I find no automatic agreement between participants, circumstances, and processes.

IV. Formation of a New National Mediation Commission

Mr. Bishop, I agree with you on the need to reinforce the mediation to make it more effective and so it can contribute more effectively to the peace process. It must be kept in mind that the mediator in a conflict must remain neutral and impartial at all times so his function can be efficient and responsible. You have been found to embody all these characteristics. Mediation does not possess an identity of its own but exists by the will of those who maintain the controversy. Nevertheless, you have never consulted the government about the tasks, participants, and procedures involved in your proposal for a new commission.

It is necessary to clarify that the government learned about your proposal at approximately the same time as the individuals proposed to make up the commission did; that is, the formation of this commission has been regarded as fait accompli. We have even heard that the individuals whom you have proposed have already agreed to be members of the new commission and that these individuals will soon start their work without waiting for a reply from the government or EZLN.

The capabilities and honesty of the eight individuals mentioned in your document are certainly recognized; nevertheless, we do not know whether every one of them, as yourself, could be unbiased, impartial, and whether the proposed individuals can stand for the protagonists and represent the concerns over the peace process.

Furthermore, I would also like to advise you that the president of the republic has taken the following measures to stimulate the peace process:

a) To initiate immediately the installation of observation camps in the no-man's-land under the terms the undersigned proposed to EZLN on 26 September 1994.

b) To establish an information and analysis commission to watch over the cease-fire. This commission is mainly composed of members of the CNDH [National Human Rights Commission] and the office of the commissioner, who would have the functions I mentioned in my 13 October 1994 communique.

c) To incorporate an executive official for peace into the working team of the commissioner for peace and reconciliation in Chiapas so as to reinforce the unity of decision in accomplishing political and social strategies the government has been implementing.

d) To permanently appoint in the checkpoints of the Mexican Army a representative of the public organizations for the protection and defense of human rights so the members of the Armed Forces will cease being accused of undocumented violations and abuses. We have stimulated the creation of observation posts and the appointment of human rights representatives in Army checkpoints, because we trust the Mexican Army's discipline and patriotism.

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e) The creation of the Peace Commission and the working methods of the peace commissioner in Chiapas will experience the necessary adjustments to efficiently respond to the subject variety in the dialogue agenda. Concerning the procedures, the concept of speaking with deeds and creating conditions for the dialogue has been scrupulously observed by the commissioner throughout his term. This document is proof of this point, but our proposal to talk directly with the EZLN delegates has been unsuccessful so far. Had these talks succeeded, we are certain progress would have been achieved on the road to understanding and to prevent the present situation.

Mr. Mediator.

Communication between the Government and the EZLN should be based on the following the three preestablished paths: the language of facts, communiques, and direct encounters. The three should occur simultaneously, not consecutively, because events have proven that the absence of the last element weakens the former two, as the current interruption of the dialogue in question would indicate.

In light of the situation created by the unilateral suspension of the peace talks, as announced by the EZLN, I reaffirm that the Mexican Army will take no action that might jeopardize the cease-fire.

I reiterate my gratitude for your tireless mediation efforts, which I am sure you will continue until definitive peace is attained in Chiapas.

Cordially,
Jorge Madrazo

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Honduras

Reina 'Pleased' With UN Security Council Membership

PA2110035494 Tegucigalpa Voz de Honduras Network in Spanish 2305 GMT 20 Oct 94

[Interview with President Carlos Roberto Reina by Lourdes Janeth Bonilla at the Government House in Tegucigalpa—live]

[FBIS Translated Excerpt] [Bonilla] Please, Mr. President, we would like to hear your reaction to...

[Reina, interrupting] It is rather late.

[Bonilla] Yes, but there was a terrible traffic jam near Miraflores Square. We want to know your reaction to the fact that Honduras has become a nonpermanent member of the UN Security Council.

[Reina] I am quite pleased by the news. I am also pleased by the unanimous world support for Honduras to make major decisions at the Security Council. As I used to tell to my students at the National Autonomous University, the goal of the Security Council is the same as that of the executive branch in a republic. The UN General Assembly is like the legislature, the International Court of Justice at The Hague is like the judicial branch, and the Security Council is like the executive. The Security Council has 15 members, five of which have permanent status and have the right to veto. A major UN resolution is approved only if none of the five permanent members, the major powers, do not vote against it.

In a recent speech I delivered at the United Nations, I said that after half a century, it is time to revise the UN Charter. Why? In the beginning, the Charter was justified. Memories of the League of Nations lingered. Because the League of Nations lacked effective power, it crumbled when Italy invaded Abyssinia, currently known as Ethiopia. The Security Council, the General Assembly, and the United Nations in general granted that right to veto to the countries that had nuclear capabilities, a symbol of a major power. These days many countries have nuclear capabilities. These conceptual changes require a revision of the UN Charter. We recommended the idea of semipermanent members [as heard], and we have recommended other mechanisms instead of this right to veto. Therefore, Honduras will be discussing at the world level aspects concerning every region of the world. Honduras' opinion will be as valid as that of any other country. This undoubtedly pleases us, and as I already said, this is an honor for our fatherland. We are rightfully proud.

[Bonilla] Is this a source of pride for all Hondurans and for all Central Americans, considering that Honduras stood in line for 40 or 50 years before being able to occupy this major UN post?

[Reina] Of course it is a matter of pride for all Hondurans, Central Americans, and Latin Americans. We had to wait a long time, but this may be the best of times, because the UN agenda no longer includes war but peace. The agenda also includes issues of sustainable development and fighting human rights violations; that is, the agenda is geared toward strengthening democratic values. There is no better time to be a Security Council member. [passage omitted]

[Bonilla] Dr. Reina, we know you only have a little time for us. I have three more questions: First, what are your thoughts on the International Peace and Development Conference? What does the fact that this conference will take place in our city mean for our country?

[Reina] This conference is a preview to the Summit of the Americas in Miami. At the conference to be held here, we will raise the socioeconomic and cultural issues we presented at the Ecology Summit in Managua. All this organizing of American policy will become reality here in Tegucigalpa and in Miami at the December Summit of the Americas. This conference is the right place to start consolidating ideas, fine tuning proposals, and moving toward the betterment of our peoples, because the conclusions we had reached before were somewhat discouraging; that is, we had never had so much democracy, but we had never had so many problems. We need to give prestige to democracy and make it more profound. We must see that the common man, the man on the street, the man who will forge the destiny of our people, receives his fair share effectively and in a timely fashion.

[Bonilla] We have discussed international issues; now let us discuss national affairs. What was the most important thing that came out of the meeting between the Inter-American Development Bank and Honduran Social Investment Fund officials?

[Reina] The economic cabinet is currently meeting with these officials and discussing the resolutions adopted by the National Congress, which are misunderstood by many people. Your president and the cabinet members have already explained this. There are no confrontations. Everything is aimed at implementing the same plan to help Honduras surmount the difficult economic situation and be able to honor all its commitments and implement all its programs. Members of international organizations are in Honduras, and they will see that the flow of credit and aid to Honduras is much more expeditious and effective.

[Bonilla] What about freezing the price of the basket of family groceries? Is this a reality, Dr. Reina?

[Reina] A very restricted freeze will be discussed, because I understand that the officials from the international organizations disagree with it. We will discuss the freeze today. [passage omitted]

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Armed Forces Commander on U.S. Radar, Promotions

PA2010171494 Tegucigalpa LA TRIBUNA in Spanish 18 Oct 94 p 14

[FBIS Translated Text] General Luis Alonso Discua Elvir, commander in chief of the Honduran Armed Forces, has said he has no official information about any soldiers implicated in ship registrations. Furthermore, that is a private activity on which he has no comment.

The military leader also announced that on 21 October, Honduran Armed Forces Day, several officers of various ranks will retire.

He did not specify how many officers will make the move, because the institution's Personnel Department is still working on the matter. He explained that the reasons for the retirements are: reaching the established maximum time for their rank or completing 30 years of active duty.

Expanding on the topic, he said that officers must have five years in grade to become eligible for promotion. Once an officer reaches the established maximum time in a given rank without being promoted, the officer must retire.

He said no one will be promoted to fill any position left vacant by a retiring colonel or general, as the Armed Forces are downsizing.

Therefore, he added, even the size of Senior Council of the Armed Forces (COSUFFAA) will shrink, given the departure of the battalions that were dissolved.

Discua Elvir also denied any knowledge of Japan linking its financial aid to military cutbacks, as Lucio Izaguirre, private secretary to President Carlos Roberto Reina, had reported. "Each country is free to impose conditions when they finance projects," he commented.

On a different issue, he said one cannot accuse the police or the Armed Forces in general of generating violence when there are so many other things that generate it.

He said that one must closely examine several factors when studying violence. Counteracting violence must be a joint effort by all sectors in society, including the media.

Regarding military service, he indicated that he did not know when the selective service draft process would begin. "Many see this as something very special and think only people on Mars, the moon, or Mercury have to register," he pointed out.

For the time being, he said, he will not be making any changes within the force. He criticized irresponsible reports that sometimes appear to that effect.

He stressed that according to the law, he must retire from the Armed Forces command in January 1996, while his classmates will retire in 1997. An officer from the eighth or ninth promotion will be selected to replace him.

Finally, he explained that the radar the U.S. Army installed at Trujillo to counter drug trafficking activities will be taken down to allow the installation of a more sophisticated system. This will improve efforts to control this illegal activity in the sky and in Honduran waters.

Nicaragua

Masaya Faction Severs Ties to FSLN, Forms Party

PA2110011694 Managua EL NUEVO DIARIO in Spanish 17 Oct 94 pp 1,8

[FBIS Translated Text] The Sandinist Renewal Movement of Masaya has officially severed its ties with the FSLN [Sandinist National Liberation Front] and announced the creation of a new party that will have nothing to do, organizationally speaking, with the party led by former President Daniel Ortega.

Rommel Martinez, a member of Masaya Department's Sandinist Assembly until yesterday, told EL NUEVO DIARIO that the decision to sever ties with the FSLN was carefully analyzed and announced following the ridicule endured by three mothers of heroes and martyrs, the Renewal Movement's candidates for their organization's 5-percent departmental representation.

"Given the irregularities which occurred during the elections, a large number of activists decided to form the Sandinist Renewal Movement Party [Partido Movimiento de Renovacion Sandinista, PMRS], and we hereby invite our supporters to a compensation ceremony scheduled for Sunday, 23 October, at the Isabel Gaitan Recreation Center."

According to Martinez, the Renewal Movement chose Dolores Aleman, creator of the homemade grenade during the 1978 uprising, as a candidate in the elections at the Piquin Guerrero state farm.

They also chose Alicia Garcia, a traditional FSLN supporter, mother of a hero assassinated by the former National Guard, and an activist since 1960. Mrs. Lidia Abarca, mother of La Reforma heroes, was also chosen.

"Despite their great qualities, these three comrades did not get the Department Assembly's vote. Instead, it elected Epifanio Torres, a CST [Sandinist Workers Federation] leader who has not managed to unite the working class in Masaya because he is not recognized as a real leader," he added.

Martinez said: Roberto Gonzalez was also chosen. He is a community movement leader who has allowed the organization's leaders to purchase land from cooperatives in southern Masaya at a very low price and then, like modern landowners, divide the land into lots for sale at a fat profit, thus getting rich illegally.

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Rommel said the Department Assembly imposed the following during the election: Jorge Martinez, a UNAG [National Union of Farmers and Cattlemen] leader who could not even win in La Reforma, his own neighborhood; Maria de Jesus Lopez, who did not win in her own community either; Roger Grijalva, a JS [Sandinist Youth] leader who is not even a student and who is making the FSLN's former youth organization disappear in Masaya.

"Given these results, activists of the Renewal Movement in Masaya decided to formally sever ties with the FSLN. We also report that the 'fundamentalists' knew in advance each of their candidates' numbers on the ballot, even though it was supposed to be secret," he revealed.

Martinez reported that the renewal movement members demanded during the assembly clear information on the FSLN's legacy, "for example, that they explain the whereabouts of a truck brought here and money donated by a German cooperation for a congress held in 1991," he stated.

Lastly, he said that Dr. Carmona, an activist in the Masaya Renewal Movement, will file a lawsuit against radio commentator William Grigsby, who made unfounded accusations that Carmona was a drug trafficker.

Internal Difference at BARRICADA Reported

PA1810234694 Managua LA PRENSA in Spanish 15 Oct 94 pp 1, 12

[FBIS Translated Text] The internal differences at BARRICADA seem to have reached a peak, after the existence of a new organizational chart became known. The chart indicates the removal of Carlos Fernando Chamorro, general director of El Amanecer Publishing Company, from his current position.

Workers from the newspaper, who have asked to remain anonymous, have said that with the reorganization, only Chamorro Barrios will remain as director of the newspaper BARRICADA, a position which is equivalent to a virtual general editorship.

The reshuffling of the high-ranking positions of the newspaper includes a new position for Bayardo Arce Castano, the current president of the Editorial Council, president of the board of directors, and now executive president.

A source who wished to remain anonymous has said: "All these changes have been made in order to corner Carlos Fernando and all those who support his ideas."

The arrival of Arce's sister, who was named assistant manager, has made the situation more tense, a situation against which workers expect to defend themselves by forming a union that will include all the editors who work more closely with Chamorro.

Carmen Mercado, the newspaper's general accountant, was fired recently for allegedly presenting proof in an attempt to incriminate Chamorro Barrios for corruption, a charge of which he was totally innocent.

With all this happening, BARRICADA workers have decided to form a union which they will submit to General Manager Ronaldo Gomez.

The split in BARRICADA has been intensified, according to our source, by the attitude assumed by the sister of the executive president, Yamileth Arce Castano, who has threatened to fire all those who support Carlos Fernando Chamorro.

Our source has said: "The staff of the editorial department not only support Carlos Fernandez Chamorro, but all the other departments of BARRICADA."

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Argentina

Menem Views Political, Economic Situation

BR2010153494 Milan CORRIERE DELLA SERA in Italian 20 Oct 94 p 8

[Report by Arrigo Levi on remarks by President Carlos Menem to European reporters in Buenos Aires; date not given: "My Record-Breaking Argentina"]

[FBIS Translated Text] Buenos Aires—"Democracy has become established almost throughout the territory of Latin America. President Aristide's return to Haiti saw the collapse of the continent's penultimate nondemocratic government. The last is Cuba's, and we hope that Castro too will soon democratize his country."

This is what [President] Carlos Saul Menem said when he received a group of European journalists, guests of the "Europe-Argentina Club," at his Olivos residence. It has been two years since my previous meeting with Menem, and the great hopes that he talked about then, looking ahead to the future of his own country and of Latin America, seem to have been realized. This "unprincipled man," this "traitor to Peronism," as his enemies call him, is one of the leading actors in an economic revolution that is changing the history of this part of the world.

"We have made sensational progress in economic integration, especially in South America," Menem said. Next 19 January will see the launch of Mercosur, the customs union comprising Argentina, Brazil, Uruguay, and Paraguay, which Chile and Bolivia too have applied to join. (Mercosur will be the world's fourth largest economic bloc, after the European Union, NAFTA, and Japan.)

"We have already begun a process of integration with the European Union, and in time we envisage the emergence of a huge free trade area extending from Alaska to Tierra del Fuego."

Menem is already preparing for the May 1995 presidential campaign: The general forecast is that he will be reelected for a further four year-term, and he seemed very confident to us. He wryly recalled how when he was elected in 1989, in an Argentina overwhelmed by hyperinflation which paralyzed the economy, the European press gave him a very poor reception.

"They attacked me, said all kinds of things about me because I was a Peronist, accused me of being a Fascist." In fact, Menem was imprisoned for years by the military dictatorship. Someone reminded him that his private life was much criticized too. He replied: "I can only say that I am separated and going through a divorce. Would it perhaps have been better for me to maintain a relationship with such an excellent woman as my wife, even though we had become incompatible? The time came when we both said, enough; we are both glad of it, and so are our children. Hypocrisy is not my strong point."

The criticisms of Menem and his entourage have certainly not stopped: Two days ago he initiated proceedings against one of his major adversaries, Carlos Alvarez, who described him as a "suspect criminal" because of his unscrupulous exploitation of the state television channel.

The opposition places great emphasis on the issue of corruption (58 percent of Argentines criticize the government's behavior) and also the fact that the judicial authorities are "subjugated" to the president, and also the partisan exploitation of the public television channel, which us used to denigrate his adversaries, as Alvarez himself told us. Menem replied by pointing out that he has privatized three of the four state television channels, and there is no lack of criticism of him on television, and the press provides a very broad and entirely free spectrum. As for corruption, he does not deny that there have been some alarming episodes, but said: "It was I who completely dismantled the huge public sector of the economy, privatizing it within the space of only a few years—from electricity to the railroads, from the ports to oil, from gas to telephones. In this way we pulverized the distorted and corrupt system, which moreover wasted some $10 billion every year, whereas now it yields us billions of dollars in taxes."

The 1995 election campaign will be based largely on economic issues. Even oppositionists grant Menem and his [Economy] Minister Cavallo credit for having salvaged the currency and the country from bankruptcy, bringing inflation back down to European levels (some 3.5 percent a year,) compared to the inflation rate of 5,000 percent a year that he inherited from Alfonsin. The economic results have been impressive.

"Over the past four years," Menem said, "GDP has increased 32 percent, and in 1995 it will increase 7 percent. We have the strongest growth rate in the world, after China and Taiwan. This is a new Argentina, in a new Latin America."

His adversaries accuse him of pursuing a policy that is no longer Peronist, but center-Right. It was Peron, after 1946, who carried out the major nationalizations that Menem has dismantled. One of us asked: "What would Peron say to you if you were to meet him in the afterlife?" (The room where he received us is dominated by two large portraits of Peron and Evita, the latter resplendent in jewels and white mink.) Menem replied: "He would tell me that I have done what he too began to do latterly, and that I have done it well."

Menem's extreme pragmatism ("We have always argued the need to adapt ideas to the times; we must modernize the country, and the whole world has changed") does not yet seem to have lost him his popular support, though unemployment has risen in three years from 6.9 percent to 10.8 percent: The "stabilization," the escape from the nightmare of hyperinflation, and privatization are regarded favorably by everyone. But the trade balance has deteriorated, and this is a threat to Cavallo's reform.

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Nevertheless this policy has reconciled the business world with Peronism and with Menem. It cannot be ruled out that it will lose him the votes of the "Peronist supporters," especially in the most backward areas and in the sectors worst hit by the opening up of the borders.

Alvarez himself admits that "Menem has enjoyed a kind of 'gift of grace,' a very strong charisma," though he hopes that it has grown weaker. Nevertheless Peronism is still in the lead in the opinion polls and local elections.

Menem seemed very confident. He seemed to us rather older, more sober in his bearing (his long hair and huge sideburns have gone), though he still retains the easy affability for which he is universally known. Ernesto Sabato describes him as a "turquito vivo," that is, "a lively little Turk." (Menem is of Syrian stock, and comes from a Muslim family, though he is a Catholic.) In Argentine political jargon, that is a compliment.

Argentine is preparing for its third consecutive democratic election: That has not happened since the first two decades of the century. As for the military, "there are no problems of any kind," Menem said, and everyone is agreed on that. The defeat in the Falklands and the huge disgrace of the murder of the "missing persons" have meant that the threat of a military coup is no longer credible. The era of military government, which now seems obsolete, is perhaps over throughout Latin America, which offers a reassuring democratic outlook, greatly strengthened by Cardoso's victory in Brazil. Democratization and the "return to the market" and to development seem to many Argentine businessmen and political scientists "an irreversible process," though there are many unknown factors.

Some regard this "new" Latin America as the promised land of the 21st century. A few years ago nobody could have forecast it, just as nobody could have forecast the end of communism.

IRNA Cites Menem on Probe Into AMIA Bombing

LD2010173094 Tehran IRNA in English 1448 GMT 20 Oct 94

[FBIS Transcribed Text] Vienna, Oct 20, IRNA—Argentine President, Carlos Menem, said at a news conference here Thursday that so far his government has not discovered who was responsible for the bombing of the Jewish Cultural Centre in Buenos Aires several months ago.

The Argentine Government is continuing its investigations on the bombing with the assistance of American and Israeli intelligence services, the "CIA" and "Mosad", as well as the French, Spanish, British, and several other well-known secret service organizations, said the president. He further said the investigations are based on allegations made by an individual who claims to be a former Iranian diplomat.

Shortly after the bombing, Argentina accused Iran of involvement with the Buenos Aires incident.

EU Commissioners Approve Talks With Mercosur

PY2010222394 Buenos Aires TELAM in Spanish 2214 GMT 19 Oct 94

[FBIS Translated Text] Buenos Aires, 19 Oct (TELAM)—The EU Council of Commissioners [Consejo de Comisarios] today unanimously approved a proposal raised by the Mercosur [Common Market of the South] countries to establish a free trade zone between the two regions.

This announcement was made by Diego Guelar, the Argentine ambassador to the EU, during a working breakfast with entrepreneurs and political leaders at the Southern Forum foundation.

Guelar explained that "the petition will be reviewed in November by the Council of Ministers" of the 12 EU member states.

During the working breakfast, the diplomat explained: "If the petition is approved, the Council of Ministers will authorize the Commission, which is the EU executive organ, to begin negotiations on a free trade zone between the two regions."

If this accord between the Mercosur and the EU materializes, it would be the first in the world between two regional blocs.

After Guelar announced that "the Council of Commissioners have given the green light for negotiations to establish a free trade zone," Southern Forum Director Anibal Jozami emphasized the importance of this possible accord, pointing out that "the EU has been the Mercosur's main investor," with $25 billion over the past three years.

Jozami emphasized: "Despite our disagreements over the issue of subsidies for agricultural and livestock production, the EU is our main trade partner."

Trade between the two blocks totals $35 billion.

Guelar emphasized the importance of Mercosur by pointing out that "the union among Argentina, Brazil, Paraguay, and Uruguay made it possible for Europe to favor negotiations with this region."

Jozami added that the Mercosur members "would not have succeeded separately."

The Mercosur members sell about 20 percent of their exports, mostly agricultural and food products, to the EU.

Chile's Frei, Antinarcotics Secretary Sign Accords

PY2010213094 Buenos Aires TELAM in Spanish 0058 GMT 20 Oct 94

[FBIS Translated Text] Buenos Aires, 19 Oct (TELAM)—Chilean President Eduardo Frei and Argentine Secretary of State Alberto Lestelle today signed various

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accords to promote in coordination the struggle against drug trafficking and drug addiction.

Frei and Lestelle took this step this morning, during a meeting between representatives from the two countries in Santiago, Chile, the capital of this trans-Andean nation.

After the meeting, Lestelle noted: "Comparative legislative uniformity, with descriptions such as repented person, undercover agent, informer, and controlled delivery, cannot wait."

A communique issued by the Programming and Coordination Secretariat for the Prevention of Drug Abuse and for the Antinarcotics Struggle includes Lestelle's remarks. He emphasizes: "This political decision by the Argentine and Chilean Governments, as well as other governments, is on the right path in the search for solutions."

Lestelle noted: "Systematic preventive education and the recovery of drug addicts, based on community consciousness, represent unavoidable policies for the states."

Lestelle concluded by saying: "Governments have the duty to solve these problems. The initial response, therefore, by government leaders involves making the political decision to wage an all-out struggle, as the Argentine Government has done."

Cavallo Champions Convertibility Law

PY2010223794 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0032 GMT 19 Oct 94

[FBIS Translated Text] Buenos Aires, 18 Oct (NA)—Economy Minister Domingo Cavallo tonight emphatically championed the Convertibility Law and challenged economists who deem a devaluation necessary, explaining that peso-dollar parity is the "least important feature" of convertibility.

Cavallo said the most "important" features of the Convertibility Law involve monetary deregulation, the free trade of currencies; the end of indexation; and the transformation of the Central Bank into a Government Agency for Control of Foreign Exchange, which does not issue paper bills to cover deficits in public accounts.

Championing the Convertibility Law, the minister rejected remarks a few days ago by economists Paul Krugman and Ricardo Lopez Murphy, who believe the peso-dollar parity restrains the flexibility of the government because it does not have a free hand to devaluate.

"I believe we should continue on the course we have outlined. The fact that one peso equals one dollar is a minor point in the Convertibility Law," Cavallo said, and he detailed the three most important points.

He highlighted the role the Central Bank plays, saying: "It cannot create credits for the public or private sector because we believe the granting of credits through the issue of currency merely creates a monetary illusion."

Referring to farmers, Cavallo said: "Some leaders continue to ask the government for credits and at the same time complain that they are broke. Of course, like that no one will loan them a peso."

He said: "One must justify credit: If I go to Europe and say a catastrophe will occur in Argentina, that salaries will be reduced, and that we must tighten our belts, what banker will loan us money, what investor will bring his money here?"

The minister said this during the "Southern Cone Dialogue II" meeting that was organized by the Argentine-Chilean Chamber of Commerce in this capital with the participation of Chilean Finance Minister Eduardo Aninat.

Cavallo explained to dozens of Argentine and Chilean businessmen how to manage the economy, especially how convertibility is helping to achieve stability and to stop inflation.

Aninat explained the changes that have taken place in his country with the opening of the economy, indicating that this year there will be a 4.3 percent growth in the economy, thus achieving 11 years of uninterrupted growth. He said he expects a growth of 5.8 percent in 1995.

Aninat said: "Exports will be the milestone for our medium-term growth," adding that they have grown by 16 percent this year.

Despite these achievements, the Chilean minister pointed out that unemployment is still a pending problem because, of a total of 13.5 million inhabitants, 4 million live in unsatisfactory conditions.

The minister said: "Poverty is the obscure point in Chile," adding that Latin American economies have two large specters: Inflation and a lack of social sector guarantees which can cause social regression.

Aninat ratified that Chilean investments in Argentina amount to $3 billion in the energy industry, the AFJP [Pension Fund Managing Companies], the paper industry, home appliances, agro-industry, and supermarkets, etc.

Correction to Existence of Request on Cubans Denied

PY1810171594

The following correction pertains to the item headlined "Existence of Formal U.S. Request Denied" published in the 18 October Latin American DAILY REPORT, pg 32-33:

Pg 32, column two, paragraph two, only sentence, reads ...letter to Victor Beauge, director of the ... (correcting name)

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Bolivia

Foreign Minister Views Garcia Meza Extradition

PY2010182494 La Paz Radio Fides Network in Spanish 1100 GMT 20 Oct 94

[Telephone interview with Foreign Minister Antonio Aranibar Quiroga; place not given; by Eduardo Perez Iribarne—live]

[FBIS Translated Excerpt] [Iribarne] Foreign Minister, what is the latest news you have about the tranfer of [former Bolivian president General Luis] Garcia Meza, or whatever else could happen? We also have some comments that Lucho [Garcia Meza's nickname] made about you, personally. Good morning, Minister.

[Aranibar] Good morning. As for Garcia Meza's transfer to Bolivia, I just want to comment that the Federal Supreme Court and Brazilian Court must fulfill some prior legal proceedings before he can be transferred. Until these steps are fulfilled we cannot set a determined day or way in which he will be brought to Bolivia. Regarding Luis Garcia Meza's comments against me, the truth is I have no comment to make other than the fact that I am grateful to God that the Brazilian Court, fully abiding by the law and the democratization process that is taking place in Latin America, has, in a just and significant manner, contributed to respecting the law and fulfilling this task the government was determined to carry out without any desire for revenge, but solely to end impunity. I believe this is what we have attained. [passage omitted]

[Iribarne] One last question. Don't you fear that if Garcia Meza starts talking when he returns to Bolivia, he might stain the government?

[Aranibar] I do not fear the consequences of what he may say. As far as we are concerned, if he has something to say, he had better say it once and for all because the truth is that we cannot live being judged by someone who has no political, moral, or personal values, or allow them to go around blackmailing people. But, anyhow, whatever he has to say is his own problem. I am certain the president of the Republic by no means fears the consequences of what this confirmed convict who is being extradited to our country has to say.

[Iribarne] Minister, the president of the Republic yesterday stated that the job is not finished yet. We believe that the Foreign Ministry has to guarantee his return [words indistinct].

[Aranibar] It is not finished until the sentence passed down by our Supreme Court of Justice has been fulfilled. The responsibility lies in our hands and we are going to fulfill it with the same devotion and determination we have shown so far.

[Iribarne] Thank you very much.

Government 'Satisfied'

PY2010210294 La Paz Television Nacional Network in Spanish 1700 GMT 20 Oct 94

[Speakers identified by screen caption]

[FBIS Translated Text] According to Bolivian Ambassador to Brazil Jaime Balcazar Quiroga, the specific date of Luis Garcia Meza's extradition cannot be established, because it all depends on formal bureaucratic and protocol procedures in Brazil. He added that the Bolivian Embassy must be notified of the Brazilian Federal Supreme Court [STF] ruling that accepts the Bolivian Government's request to extradite Luis Garcia Meza.

After official notification has been given of this ruling, the Brazilian Justice and Foreign Ministries, along with the Brazilian police, must issue the respective authorization to place the criminal at the disposal of the Bolivian courts.

The government, however, refuses to comment on how Garcia Meza will be extradited to Bolivia. For strategic reasons, the government has preferred not to comment on the procedures surrounding Luis Garcia Meza's extradition.

[Begin recording] [Minister of Government German Quiroga] This is confidential information. No government official is authorized to disclose any information in this regard. We therefore ask people to be a bit patient.

[Reporter Graciela Orozco] At any rate, Garcia Meza still has cases pending with the Brazilian courts, so he must remain in Brazil, I presume.

[Quiroga] He has one pending case. The state of Sao Paulo has filed a suit against him for carrying false papers. He must still stand trial. [end recording]

Moreover, Social Communications Minister Ernesto Machicao, in his capacity as government spokesman, said that the Constitution has been upheld and that the Bolivian Government is satisfied with the approval of Garcia Meza's extradition. He also played down comments made by the former dictator, who said that Foreign Minister Antonio Aranibar is a leader of Bolivian terrorist groups.

[Begin recording] [Machicao] This is not very important; it is an issue over which we refuse to lose any sleep. We believe it is an issue of little importance. What counts is that we have complied with the Bolivian Supreme Court ruling issued last year.

[Quiroga] I believe Bolivians are quite familiar with Antonio Aranibar Quiroga. He is a man identified with national issues and popular participation. He is a man with a great awareness of social problems, and no one can charge that Antonio Aranibar is a terrorist or a member of a guerrilla group. [end recording]

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It is believed that former dictator Luis Garcia Meza will be at the Chonchocoro jail in two months time at the most.

Government Unable To Stop Brazilian Incursions

94SMO482D La Paz PRESENCIA in Spanish 4 Sep 94 p 1

[Article: "Government Powerless To Stop Brazilian Peaceful Invasion"]

[FBIS Translated Text] The government has neither the necessary means nor the resources to stop the growing peaceful penetration of the region known as Bolson del Rapirran in the Pando district, by Brazilian citizens.

The national defense secretary, General Carlos Macias, said the solution of the border problem is not the responsibility of the Armed Forces alone, but of all the national institutions.

"The problem is not only a military one, because the presence of the Armed Forces does not solve the border problem. Even if we were to station soldiers along the entire 7,000 kilometers of the country's borders, we would not solve this problem," he said, adding, "Military presence alone is not a solution. The problem is total, because economic resources are needed to create activities that can improve the quality of life of the border region's inhabitants."

According to reports from the locality of Montevideo del Abuna, more than 2,500 Brazilians have settled in the region called Bolson del Rapirran.

The invasion is so manifest that already more than 90 percent of the region's inhabitants are Brazilian citizens, and officials of Brazil's nearby state of Acre are collaborating in the settlement of their fellow countrymen in Bolivian territory.

Naturalization of Brazilians

Confronted with this reality, General Macias indicated that the possibility of assimilating these persons as Bolivian citizens and thus avoiding worse problems for the country should be considered. "Officially, we have no report on the matter in this ministry; but that area is under the Navy's control. There can be no question that a peaceful penetration by farmers, by people seeking means of survival, is taking place, and the logical thing to do would be to assimilate these people as Bolivian nationals," the general asserted.

Guarded Borders

Notwithstanding this situation, General Macias asserted that the Bolivian Armed Forces guarantee the integrity of the country's territory, although he acknowledged that economic constraints and the lack of means render it difficult for the Armed Forces to adequately accomplish their constitutional mission.

"Most of the country's Armed Forces are deployed in its border zones. If I am not wrong, 70 percent of the troops are at the borders and only 30 percent in the region of the country's La Paz, Cochabamba, and Santa Cruz central axis," said the Army official. In this context, he indicated that it is vital to institute a radical policy designed to attack the principal ills the country is suffering as a result of its underdevelopment.

Popular Participation Law Executive Decree Issued

94SM0483C La Paz PRESENCIA in Spanish 10 Sep 94 p 48

[FBIS Translated Text] Yesterday the executive branch authorized the establishment of the Base Territorial Organizations (OTB's), with the promulgation of the second regulatory decree governing the Popular Participation Law. This law reorganizes the territorial space, based on the municipalities, and provides for the organized participation of society in each municipality through the OTB's. Each OTB is a "basic unit community or neighborhood unit occupying a determined territorial space."

The regulatory decree was handed down yesterday by the interim president of the Republic, Victor Hugo Cardenas. It recognizes Indian villages, peasant communities, and neighborhood councils as OTB's. It also defines their organizational forms and the relationship they will have with the central and municipal public administrative bodies and the organizations in civil society. In terms of territorial scope, they may include one or more communities, subdivisions, or neighborhood units.

It will be the task of the municipal government, prefect, or subprefect, as the case may be, to acknowledge the legal status of each OTB, and to resolve disputes concerning territorial representation.

The community associations made up of the OTB's with recognized legal status, such as the captaincies general, ayllus, centrals, subcentrals, federations, and other forms of organization, are also recognized.

To date, all of these communal organizations, above all those in the rural sector, have had predominantly masculine representatives. The decree promulgated yesterday by Victor Hugo Cardenas, the interim president of the Republic, notes that the OTB's "will have to include women in the composition of their boards of directors, based on opportunities and functions equal to those available to men."

Apart from the OTB's, there will be Vigilance Committees that will be responsible for making the requirements of the OTB's known to the public authorities in each locality. The members of these committees will be appointed or elected "in accordance with the usages, customs, or statutory provisions of the OTB's."

The Vigilance Committees will request copies of the resolutions and ordinances promulgated from the

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municipal governments. Both the OTB's and the Vigilance Committees may consult and coordinate their activities with the institutions established in civil society. On the provincial level, the OTB's, together with the authorities, may organize provincial councils to assist with the coordination of participational municipal planning and its "supplementation and reconciliation on the provincial level."

These councils will include the subprefects and representatives of the municipal governments, the Vigilance Committees of the provincial sections, civic committees, and associations of OTB's.

On a higher organizational level, there will be municipal districts, which will be decentralized administrative and executive units of the municipal governments created by them. The activities on this level will be designed to increase the efficiency of interinstitutional actions in the management of sectorial resources and public policy.

According to the provisional articles of the decree, the OTB's in those rural communities where there is no municipal government may be registered with the municipal councils nearest their jurisdictions.

Also, the Vigilance Committees will be organized by the mayors, for the first time.

During his short address, Cardenas, the interim president, said that the Popular Participation Law will change the face of the country by promoting participational democracy. He said that with the Popular Participation Law and the decree regulating it, the first Indian municipalities on the continent, in the Guarani region, have been recognized.

The Popular Participation Law is one of the central projects of the present government, and it is the first for which regulatory provisions have been issued. A first regulation defined the transfer of financial resources and responsibilities and established the educational and health infrastructures for the municipalities.

National Council for Commerce, Industry Launched

94SM0483B La Paz HOY in Spanish 10 Sep 94 p 18

[FBIS Translated Text] "In order to create increased well-being, Bolivia must have a political, business, and labor community with a sense of country. We need leaders prepared to reach agreements in the interests of the common good." This statement was made yesterday by the president of the National Chamber of Industries, Gary Lacunza, during the ceremony held to inaugurate the National Trade and Industry Council.

This event, which was held at the Aeronautical Circle, also served to install the new board of directors of the National Chamber of Industries for the 1994-95 year. The board will be headed by Gary Lacunza, who has been reelected to serve as the president of this body for the third consecutive term.

Lacunza said that if what is wanted is for the economy to grow, and to overcome the conditions of neglect and exclusion in which vast sectors of the people find themselves, growth must be sustainable over time, and it must be based on economic activities that generate added value and are expressed in productive jobs.

He added that national growth depends on integration of the domestic economy in the world markets, so that exports must become a leading factor in Bolivian development.

He explained that exports must be diversified in the direction of manufactured products that are capable of generating greater activity in the rest of the productive apparatus. In addition, he said, sustained development of the export sector, based on a strong productive sector, is needed.

Purpose of the Council

Guillermo Morales, president of the National Chamber of Commerce, said that the establishment of this council is designed to open up new paths, and "forces us to reflect honestly, sincerely, and above all, with a great sense of reality, on our place in the world of today and on the country we want."

What is being sought through the merger of the Chambers of Industry and Commerce is to synthesize this need for joint work. This council, which Morales called an "incentive for this advance toward a modern nation," will, in addition to the specific projects undertaken, concern itself with economic affairs in general and domestic and foreign trade issues, Morales said.

Carlos de Chazal, president of the Bolivian Private Businessmen's Confederation, said that coordinated action by the various business organizations, through the council, will contribute in effective fashion to developing the conditions needed to enable the private sector to play its proper role in the social market economy model.

National Government Goals

He added that "the government must establish national goals and priorities, and must develop strategies expressed in a complex of public policies that will modernize and develop the national productive system. Incentives must be provided for saving, domestic investment, the purchase of technology, labor training, and export initiatives."

The Bolivian business sector is prepared to play its role as the sponsor of change based on the strengthening of its executive, professional, and technical cadres for the purpose of promoting the expansion of balanced international trade, he said.

The National Export Council

The National Export Council (CONEX) has enabled the private sector to collaborate actively with the government by providing suggestions, strategies, and policies

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for the production and export of nontraditional goods and the development of the exportable domestic supply. The presidents of the national Chambers of Industry and Trade, Gary Lacunza and Guillermo Morales, respectively, agreed on this.

Businessmen and Government for Unity

There are Bolivians who enjoy conflict, while others develop organic mechanisms for unity like the National Trade and Industry Council, the interim president, Victor Hugo Cardenas, said at the installation ceremony.

"Some sectors have undertaken to change the economic face of the country by increasing export capacity in terms of quantity and quality. Businessmen are contributing to this effort in a major way," he said.

He added that the national, regional, and international economic situations demand a change in the nature of exports from raw materials to products with added value. Therefore, the government and businessmen must work together to achieve this goal.

He said further that "the economy, industry, and trade are all components in a process of profound change that has been under way in this last decade."

Principal Protagonists

The participation of businessmen is essential, because they are the leading actors, and society will be demanding their response to the challenge of becoming the central pivot of growth and development in the country, Minister of Economic Development and Finance Fernando Cossio said.

He added that "this is a joint effort being made with the government to create the conditions required for competition in the modern sense, with the abandonment of subsidies, preferential interest rates, customs duties, and the measures that have been implemented in Latin America for the past 30 years but have not produced good results."

These conditions, according to the minister, are based on a clear and continuing regulatory framework, with plainly defined rules of the game. These rules provide for the exercise of the public function through the negotiation of economic complementation agreements with neighboring countries in order to safeguard domestic production conditions.

Cossio explained that "the government will guarantee these conditions so as to liberate the productive forces, and so that all of society can face up to this new challenge—to grow at a faster rate in order to redistribute income."

The joint goal of the government and the private sector in their work must be the achievement of a higher level of well-being for society, Cossio said.

A Truism

Cossio commented further that "when we hear it said that the country enjoys stability, but that this is not enough, it seems to us like a truism."

What the country has achieved in these nine years "is something of great value to all of Bolivian society, since the foundations for a modern society have been established."

The economy does not involve just the reconciliation of tax expenditure figures, but also requires the adoption of disciplinary standards for the conduct of the state and the management of public affairs, he added.

"We cannot have growth at seven or eight percent with the current economic structure in the country. The accumulation model in effect, based on public investment and the patterns of state paternalism, will prevent Bolivia from growing at a more rapid rate because of the shortcomings and limitations of the model itself," he explained.

In this stage involving the liberalization of the economy and the productive forces, Cossio added, capital and labor will be able to develop more broadly in a search for competitive capacity—the only long-term element that can guarantee the accumulation of capital and integration in foreign trade.

Labor Ministry Highlights Job Creation Statistics

94SM0482A La Paz HOY in Spanish 23 Aug 94 p 4

[Article: "They Gave Us Jobs. What Kind?"]

[FBIS Translated Text] As an answer to those who had criticized it for causing 10,000 employees to lose their jobs in the private and public sectors in the first three months of its administration, the government announced yesterday the creation of 30,000 jobs in its first 11 months in office.

The Ministry of Labor's UDATEL [Labor Technical Advisory Unit] announced yesterday that the government created almost 30,000 new jobs over a period of 11 months, although it did not state whether these jobs were of a temporary or permanent nature.

In a news release distributed to the media, UDATEL states that 29,777 "positions" were created between August 1993 and August 1994. An analysis of this release shows the departments of La Paz, Santa Cruz, and Cochabamba to be those that benefited the most.

Work or Jobs

The term "work positions" summarizes the government's view of employment. It considered them as "work," devoid of the accepted distinction between jobs of a "temporary" nature and those of a "permanent" nature, according to a recent statement by the minister of labor, Reynaldo Peters.

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"I believe that nowhere in the world does permanent and lasting employment exist at this time," the minister said then, "because the economic and political conditions of countries have changed radically.

"The important thing now is for the unemployed to have work that generates income so they can live. It does not matter whether that work is permanent or durable," Peters emphasized.

According to the official report, which in turn is based on the reports of the departmental labor offices, the sectors that provided the most work were the services sector with 8,305 jobs, and the commercial sector with 7,006.

The farming sector provided jobs for 4,165 persons, manufacturing 3,672, construction 3,460, mining 1,553, education and health 1,120, and energy 496.

"Central Axis"

La Paz was the department that created the largest number of new jobs, totaling 1,580 [as published], and commerce the sector that offered the most work to the unemployed, with 3,705 jobs, followed by construction with 1,347, and manufacturing with 1,273. New employment in the first two of these sectors was characterized by the occasional nature of the work offered.

According to the government's detailed report, 7,238 jobs were created in Santa Cruz. The services sector generated the most employment, with 2,101 new jobs. Farming generated 1,302, manufacturing 1,085, and commerce 1,013. Other sectors generated the rest.

In Cochabamba, 6,824 jobs were created. Services provided the largest number of new jobs, with 2,342. Commerce provided 1,591 jobs. Farming and manufacturing also provided jobs for a significant number of workers.

Impoverishment of the Periphery

The other six departments, not part of the "central axis," generated a modest number of new jobs, according to the official report.

Oruro and Potosi, two departments economically depressed by the mining industry slump, created only 2,290 and 128 jobs respectively.

Chuquisaca generated 815 jobs, Tarija 588, Beni 248, and Pando 65.

Role of Nongovernmental Organizations Debated

94SM0482B La Paz HOY in Spanish 5 Sep 94 p 4

[Article: "'There Are Some Overly Ideologized ONG's'"]

[FBIS Translated Text] The controversial ONG's [Nongovernmental Organizations] say that they alleviate poverty in the country. The government affirms that some of them are involved in terrorist and subversive activities. "Only a small group of them consider themselves the voice of the underprivileged social sectors," according to analyst Carlos Toranzo. Despite the social work they do, they are under scrutiny by the state security forces and the judiciary.

Although not comprising a majority, some ONG's are overly ideologized and overly politicized and seek to supplant the populace and organize it politically to enable it to confront the state, says Carlos Toranzo, a member of the ILDIS [Latin American Social Research Institute].

Toranzo divides the ONG's into three groups: Those that are doing real welfare work; those that have become a livelihood for a group of professionals and technicians; and those that are busy seeking to ideologize and politicize the underprivileged social sectors.

In Toranjo's opinion, the latter are not the best and are the least numerous of the country's ONG's.

There are three nationwide networks of ONG's: ERBOL [Bolivian Radio Schools], UNITAS [National Union of Institutions for Social Work], and AIPE [Association of Institutions for Advancement and Education]. These three networks are grouped under a single National Coordinating Committee.

It is estimated that there are some 1,000 ONG's and that only some 400 of them are legally constituted.

Politicization and Ideologization

"Among the 'hyperideologized' and 'hyperpoliticized' ONG's, there is a clear intent to posit themselves as the representatives of the will of the people, a function that was formerly performed or fulfilled by the political parties," says the analyst.

The ONG's of this nature, he says, seek to supplant the populace and organize it politically so that it can confront the state.

The government deems these politically motivated ONG's to be simply dangerous for the democratic system, because they encourage subversion and terrorism.

As a result of the government's suspicions, the state security agencies have begun investigating organizations of this type, and particularly those established in the Chapare region.

"We believe that some ONG's are involved in crimes of terrorism and subversion," asserts the minister of government, German Quiroga Gomez, recalling the Italian "Rayos de Sol" ["Sunbeams"] ONG, which was expelled from Bolivia because it was apparently financing the pressure measures being exerted by the coca producers.

New Face of the ONG's

On the current political stage, the ONG's almost automatically change their political coloration, their ideological purport, and convert into institutions that fulfill a

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social function in a true liberal state, supported by the democracy in place, says Toranzo.

"Now, they are IPDS's [Private Social Development Institutions] that perform needed services in places and regions where the state does not do so owing to its limitations," says Carlos Toranzo.

In his opinion, these organizations are not all homogeneous, because they differ in the functions they fulfill within the country's harsh social reality.

In his analysis of the work done by the ONG's (the legal ones) of the three networks—ERBOL, AIPE, and UNITAS—operating under a single National Coordinating Committee, the scholar points out that these institutions render services under headings that reflect the state's shortcomings, such as those relating to credit, support for farming development, health, and education.

"In a word, these organizations are technical arms of state agencies that generate sources of relief of poverty," he stressed.

People's Participation in Hands of ONG's

According to Toranzo, the new political scenario, full of changes at the state decision-making levels, projects the ONG's as indispensable institutions for configuring the OTB's [Base Territorial Organizations] created under the People's Participation Law.

"If in the future," he says, "the departmental development corporations are transformed into technical arms of the municipalities, then the ONG's could advantageously be converted into technical arms of the OTB's."

"Moreover, and I say this without beating around the bush, People's Participation will not work without the ONG's," asserts ILDIS researcher Carlos Toranzo, citing the experience these organizations have acquired in social and infrastructural development work carried out in distant regions and areas.

Aware of this reality, the government signed an agreement with the ONG's two weeks ago, enabling implementation of the People's Participation Law.

Carlos Toranzo points out that the government should be grateful to the IPDS's, because "they succeed in operating where the government does not" and because, one way or another, they channelize the social policies formulated by the government of the moment.

The ONG's have introduced a bill in the National Parliament designed to formalize the terms of reference of their work and their relations with the state.

It Was Not I

UNITAS, one of the three ONG networks, for its part, has asked the La Paz investigating judge ad interim, Gonzalo Valenzuela, to identify the institutions that allegedly are seeking to disrupt the country's social harmony.

In a document delivered to the Office of the La Paz Investigating Judge, the executive director of UNITAS, Enrique Pinelo, has asked the judicial authorities "to state and substantiate your charges" against some of the network's member organizations.

Last Thursday, through an injunction, Valenzuela denounced the presence of some UNITAS member organizations at the most recent social rallies, terming those actions "divisive of the Bolivian people."

Pinelo replied that the injunction was not received by the UNITAS management, and regretted that some institutions had been deemed to be elements that allegedly menace the country's "public order and peaceful coexistence."

"Unfounded Charges"

In rejecting Gonzalo Valenzuela's "unfounded" charges, UNITAS pointed out that statements of this type seek to threaten "our institutions that are part of our civil society." "We are not aware of any of our member organizations being involved in actions such as the ones you indicate. If any have been, we ask you to identify them and substantiate your charges, so that we can determine what measures must be taken by us," the legal document delivered to Investigating Judge Valenzuela asserts.

The government's suspicions concerning "illegal" acts allegedly being carried out by some ONG's arose during Jaime Paz Zamora's administration, when the security organizations sought to tie the rebel EGTK [Tupac Katari Guerrilla Army] to the IPTK [Tomas Katari Polytechnic Institute], located in the village of Ocuri, North of Potosi.

The recent expulsion of two Italian citizens, representatives of the ONG's "Rayos de Sol," moved the government to institute the investigation of some foreign institutions, located particularly in the Chapare region.

"We believe that some ONG's are financing subversive actions, financing social rallies like that of the coca growers," said Hugo San Martin, national secretary of interior and police, before instituting the tracking of some institutions.

Brazil

Franco 'Irritated' by Alleged Clinton-Cardoso Contacts

PY2010191594 Sao Paulo AGENCIA ESTADO in Portuguese 1807 GMT 20 Oct 94

[FBIS Translated Text] Sao Paulo, 20 Oct—Brazilian President Itamar Franco was irritated today over the news that U.S. President Bill Clinton had allegedly invited President-elect Fernando Henrique Cardoso to begin contact between the two governments. "The transition must take place here; Brazil has a government,"

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said Itamar during a hectic news conference after he dedicated the 34th Car Show in Sao Paulo. The president said: "Relations between Brazil and the United States must be conducted through the Foreign Ministry." Cardoso did not comment on Clinton's alleged invitation when he spoke with President Franco yesterday (19 October) by phone. Franco said: "He (Cardoso) did not say anything about that."

President Franco's statement surprised his advisers. Finance Minister Ciro Gomes, like the rest of his ministry officials, would not comment on the subject. "I do not give interviews," the former Ceara governor said repeatedly. Presidential Press Secretary Fernando Costa said President Franco has known since 19 October of Clinton's invitation for Cardoso. Costa said: "It is not official."

One minister, a member of the entourage that accompanied Franco, reported that President Itamar Franco considers the U.S. proposal to Cardoso "improper." He added: "Brazil and the United States maintain high-level bilateral relations, Brazil has had democratic elections, and the transition—which is an internal matter—is being handled in the friendliest manner possible." The minister added: "This move does not contribute in anything at all."

Despite all this, President Itamar Franco maintained good humor. Beside the opening ceremony of the car show, the president launched new postage stamps in honor of [former Formula-1] racer Ayrton Senna who was also awarded a "posthumous" Great Cross of the Order of the National Merit, on the day Senna would have celebrated the third anniversary of his triple world championship. Then, to the despair of his security personnel, President Franco toured the show. He was photographed in a Mercedes Benz convertible and being kissed by model Claudia Silva, a 20 year-old, 1.8-meter blonde whom he bade farewell saying: "With these photos, I will become famous."

Extradition of Bolivia's Garcia Meza Approved

PY2010114194 Brasilia Voz do Brasil Network in Portuguese 2100 GMT 19 Oct 94

[FBIS Translated Text] The Federal Supreme Court [STF] has approved the petition to extradite the former Bolivian president, General Garcia Meza. By 10 votes to one the STF justices today approved the extradition of former Bolivian dictator Gen. Luis Garcia Meza. Justice Marco Aurelio Farias de Mello was the only one who did not approve the Bolivian Government's petition, contending that the charges against Garcia Meza were political. Gen. Garcia Meza came to power through a military coup in July 1980 and resigned the post three months afterward. Bolivian courts issued a prison sentence against Garcia Meza for having committed 32 crimes, including genocide, murder [homicidio qualificado], violation of the constitutional right to freedom of the press, and illegally selling historical documents such as the diary of Che Guevara. His prison sentences added up amount to 231 years

Bolivian Ambassador to Brazil Jaime Balcazar Quiroga, who attended the judgment, phoned Bolivian President Gonzalo Sanchez de Lozada to inform him of the result. As soon as the STF decision is officially announced, the Bolivian Government will have 60 days to pick up Gen. Garcia Meza in Brazil and take him to Bolivia.

Monetary Council Adopts Measures To Restrict Consumption

PY2010001694 Brasilia Voz do Brasil Network in Portuguese 2100 GMT 19 Oct 94

[Report by Corvan Costa; from the Finance Ministry in Brasilia]

[FBIS Translated Text] Finance Minister Ciro Gomes today presided over a meeting of the National Monetary Council [CMN]. After the meeting he commented on the economic plan. According to Gomes, the basic guidelines of the plan remain unchanged, such as maintaining balanced government accounts, ensuring that the exchange reserves continue to show a surplus, and maintaining the struggle against inflation.

The minister nonetheless enumerated three urgent problems in the economy: the rising price trend for a basket of family staples as a consequence of the drought, pressure from international prices, and an increase in consumption.

Regarding the latter problem, the CMN adopted several measures. These measures envisage establishing a three-month limit on loan and financing operations, excluding farming credits, among others. The CMN also suspended, for an indefinite period of time, the creation of new buyers' clubs for the purchase of home appliances and electric and electronic products. The CMN also limited the financing term for car buyers' clubs to 12 months, and even suspended their auction operations. In the exchange area, foreign applications in the financial market will be surtaxed.

Consortium To Participate in PRC Three Gorges Project

95P20061

[FBIS Media Note] A consortium comprised of 15 Brazilian firms has already guaranteed its participation in the initial phase of the project to construct the Three Gorges hydroelectric plant on China's Yangtze River, according to a report in the Sao Paulo business daily GAZETA MERCANTIL on 6 October. The plant will have a capacity one and a half times greater than the Itaipu hydroelectric power plant in Foz do Iguacu, Brazil, and will require investments of $25 billion. The consortium has been contracted by the Chinese Government to carry out three consulting projects: a viability

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study on assembling from four to six turbines annually, a technical evaluation of the planning for the concrete pouring operation, and, finally, a technical evaluation of the construction of a cofferdam 100 meters in height. In addition, the Chinese have decided that a Brazilian technician should be designated to participate on "the board" of the megaproject, in light of Brazil's experience in the construction of the Itaipu hydroelectric power plant.

According to a Brazilian diplomat, Brazil is the first foreign country to have direct participation in the Three Gorges project. The Brazilian Foreign Ministry expects that this may lead not only to greater bilateral cooperation in the hydroelectric sector but in other areas as well, and may have a perceptible impact on bilateral trade. The two countries, GAZETA continued, have been engaged in discussions designed to increase their economic-commercial flow. Bilateral trade in 1993 amounted to $930 million, but the annual average during the last seven years has been only $630 million, considered by Brazilian diplomats to be well below the potential.

The decisions of the Chinese concerning Brazilian participation in the Three Gorges project were made in early September, during the visit to the PRC of an official Brazilian delegation. The trip had been in preparation for two and a half months, and was designed to promote negotiations between the two countries in the energy and mining sectors. Initial interest lay primarily in the Three Gorges hydroelectric plant, which will generate 17,300 megawatts (MW), almost 5,000 MW more than Itaipu.

GAZETA MERCANTIL of 2-4 September published a detailed account of the trip. The delegation, headed by former Mines and Energy Minister Alexis Stepanenko, who resigned his post shortly after returning to Brazil, was comprised of 30 businessmen, the presidents of the state enterprises Brazilian Electric Power Company (Eletrobras), Rio Doce Vale Company (CVRD), Brazilian Petroleum Corporation (Petrobras), Mineral Resources Prospecting Company (CPRM), and BNDES Vice President Mauro Carneiro da Cunha.

GAZETA reported that then Minister Stepanenko planned to offer the Chinese Government two credit lines totaling $700 million to finance the participation of Brazilian firms in the planning and construction of the Three Gorges hydroelectric plant. The first credit line of $100 million is to be allocated to the first phase of the project, and could benefit the firms involved in the areas of planning, technical assistance, and engineering consultation. The second, in the amount of $600 million, would enable Brazilian firms to participate in the actual construction. The credit lines are planned to be officially established following the signing of a protocol of intent between the two countries.

State and private firms, GAZETA continued, will join together in a consortium to facilitate their inclusion in the project, ranging from the initial consulting projects to the sale of equipment. The Brazilian consortium participating in the Three Gorges project would be formed by the firms Odebrecht, Mendes Junior, Andrade Gutierrez and Camargo Correa, among others. According to a spokesman for the Odebrecht construction group's Brazilian Projects and Construction Company, the firm has had an office in Beijing for more than a year, and is interested in participating in the plant's construction. The Sao Paulo firm Sade Vigesa will also probably participate in the consortium by installing the hydroelectric plant's electric and mechanical equipment and supplying generators, according to that firm's press spokesman.

Before leaving for Beijing on 1 September, Minister Stepanenko told GAZETA that the firms interested in participating in Three Gorges would be responsible for raising the funds in the domestic and foreign markets, funding which would then be backed by the Export Financing Program (Proex) and the Fund for Financing Machinery and Equipment Exports (Finamex) of the National Economic and Social Development Bank (BNDES). Stepanenko also said that it was the Chinese themselves who encouraged the Brazilian participation in the venture. He added: "They know that we are the only country with a reputation for constructing large projects," and cited the Itaipu, Tucurui, and Xingo hydroelectric plants as examples. He also noted that after making several visits to Brazil, Beijing authorities took home with them a good impression regarding the administration of those projects

Other topics on the agenda of the visit to the PRC, according to GAZETA, were Brazil's participation in medium-size 150-MW hydroelectric projects, and construction on China's coast of ports for large-draft ships. The latter would help lower the cost of transporting the iron ore exported by Brazil's CVRD and make it more competitive, the article noted. It was also anticipated than a memorandum would be signed providing for the transfer of Chinese technology for processing the low quality anthracite coal used in thermoelectic power plants, technology to be applied in Brazil's producing regions of Santa Catarina and Rio Grande do Sul States.

Foreign Group To Discuss Construction

PY2010201494 Sao Paulo GAZETA MERCANTIL in Portuguese 18 Oct 94 p 3

[Article by Maria Helena Tachinardi from Brasilia]

[FBIS Translated Text] Brazilian construction companies and equipment suppliers who participated in the construction of the Itaipu hydroelectric plant are getting close to one of the largest ventures of the century: the Three Gorges plant on the Yangtse River, in the PRC, with an estimated budget of $25 billion.

For the first time the Beijing Government, which has been planning to construct the hydroelectric plant for over 10 years, has joined a foreign group to discuss wha

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the Chinese consider the Great Wall of the the 21st Century. At the request of the PRC, the consortia that built the Itaipu Dam will report on the know-how used by Brazil on the dam it built in partnership with Paraguay. The seminar will be held at the site where the hydroelectric project will be built, and will mark the beginning of work on it.

This step, however, still does not signify any contract with the PRC, although the Chinese have asked Brazil for three planning projects for next year. One of them will be about how to pump concrete. "This does not involve large sums of money—around $10 million—but it is the beginning of a dialogue," said Joao Alberto Nogueira, director of the international division of the Camargo Correa construction company.

The construction companies and equipment suppliers are obtaining the credentials to participate in future biddings, Joao Augusto de Medicis, the Brazilian ambassador to China, said.

The construction companies that are negotiating with the Chinese are: Camargo Correa, Mendes Jr., Andrade Gutierrez, and CPBO. Gibut is the name of the consortium that gathers together equipment suppliers, such as Asea Brown-Boveri and Voigt. The Enchin Group is comprised of the consultants Themag, Promon, and Engineering International. The assemblers are grouped in the Itamon consortium.

A special push for the seminar and planning studies was given in September, during former Mines and Energy Minister Alexis Stepanenko's visit to Beijing. Stepanenko handed the PRC authorities a proposal for the work and an offer for the transfer of technology through an umbrella contract.

In May, a delegation from Eletrobras [Brazilian Electric Power Company, Inc.] and Furnas [Furnas Electric Power Plants, Inc.] visited the PRC and learned that the Chinese want to build the hydroelectric plant alone, to comply with the policy of national pride. They are interested, however, in the transfer of the technology used in Itaipu. In the future, they will probably hire Brazilian companies to construct parts of the project.

The conclusion of the Three Gorges plant, the power of which will be equivalent to 18 million kw, is scheduled for the year 2010. The first turbine, however, will be in operation in 2003. There will be a five-level system of locks with two canals that will allow boats to sail both ways. The Chinese will also deviate the Yangtse River and will have to make 1 million people move from the site. According to Nogueira, the main objective of the project is to contain floods. They are also interested in ensuring river navigability, and in the generation of electric energy.

The Brazilian ambassador to China noted that business with the PRC is promising. The Antartica Company is producing guarana (a soft drink made of an Amazon Region small fruit) in the southern region of the PRC with syrup imported from Brazil, and the PRC group linked to the Brazilian company is negotiating the purchase of land to build a plant.

There are also good prospects for the sale of services and the establishment of joint ventures to exploit iron ore in Carajas, Ambassador Medicis said.

Embraer's Silva Comments on Privatization

BR2010161494 Paris AIR & COSMOS/AVIATION INTERNATIONAL in French 23 Sep 94 p 13

[Interview with Embraer Chief Executive Officer Ozires Silva by Pierre Langereux and Bernard Bombeau; place and date not given: "Embraer To Be Privatized at the End of October or December"]

[Text] The long saga of the privatization of Embraer (Empresa Brasiliera de Aeronautica), the Brazilian manufacturer which is Latin America's leading aeronautics group, did not come to an end in August as expected. The 3 October presidential elections in Brazil, the hostility of certain unions, and new financial adjustments were behind the postponement. AIR & COSMOS reviewed the situation with Ozires Silva, the CEO of Embraer.

[AIR & COSMOS] How is privatization going?

[Silva] Privatization plans are ready. Fresh capital has been brought into the company; all the details were made public last spring. The government passed the entire matter to Congress last summer, but the decision was delayed by the impending 3 October presidential elections. We now think that Congress could announce its decision in mid-October. The matter will then go to the Administrative Tribunal for final approval.

[AIR & COSMOS] In your opinion, when could privatization take place?

[Silva] Given that the Administrative Tribunal needs approximately two to three weeks to give its final consent, privatization could take place at the end of October, which is an optimistic timetable. A more pessimistic scenario would put the date at the end of December or early in 1995.

[AIR & COSMOS] One of the reasons behind the August postponement involved a request to readjust the company's worth. What are the figures now?

[Silva] The company's total worth is $510 million with debts of $250 million. Subtracting one from the other, the total value of the shares is $260 million. Under the current scheme, the Brazilian Government would only sell 55 percent of the capital, which means that shares for approximately $150 million will be put on the market. However, only 40 percent of this amount will be accessible to foreign investors. The remaining 60 percent will stay on the Brazilian market.

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[AIR & COSMOS] Who might buy shares in Embraer?

[Silva] In the first place, any competitor interested in buying shares will have to obtain the approval of the Brazilian Aeronautics Ministry. In any case, these new partners will not be able to be rivals with which we are competing. Otherwise, the government is leaving matters very open.

[AIR & COSMOS] Do you already have names?

[Silva] I can tell you that there is a North American group which is very interested and has already sent a consultant to Embraer. It is a major financial group, based in New York, which has already acquired numerous companies throughout the world, but so far none in the aeronautics sector. It is primarily interested in Embraer's market position. Embraer has already 34 percent of the regional aviation market in the United States.

[AIR & COSMOS] There has been talk about the Spanish company Gamesa. Is it among the potential purchasers?

[Silva] Gamesa is not interested in buying into Embraer's capital. However, this summer we signed a $80 million contract with them for the development, manufacture and equipping of the wing section of the future EMB-145 regional twinjet.

[AIR & COSMOS] Can you bring us up to date on the EMB-145 program and on the investments needed to carry it out?

[Silva] The first Embraer EMB-145 is being built. The aircraft will come onto the market during the second half of 1996. The development costs of the program are $300 million, including $90 million for manufacturing. Embraer is reckoning on investing $70 million of its own money. To that can be added $150 million from our venture partners, including $80 million from Gamesa for the wings. We therefore still need to find around $80 million to carry out the program with the anticipated budget. We have already received nine firm orders from two airlines and 132 letters of intent. We are confident about the future. The Embraer EMB-145 will be the best aircraft arriving on the market at the right moment.

[AIR & COSMOS] Why so confident, when its main competitors are already in the air?

[Silva] Because the EMB-145 will be sold at an initial price of only $13.8 million (1994 price). Which means that in real-cost terms, it will be 25 percent cheaper than the Regional Jet!

[Box, p 13]

Embraer Has Delivered 291 Brasilias

According to Embraer's CEO, 291 EMB-120 Brasilia regional twin turboprops have been delivered since 1985, not including the five development prototypes. The manufacturer currently has around 50 orders to meet. The latest customer, the U.S. airline Great Lakes, has decided to buy five each of the new EMB-120 Advanced model for a total price of $38 million. The first three aircraft will be delivered at the end of 1994, and Great Lakes has taken an option on another 15 of these aircraft. This aircraft, priced at $7.5 million, is intended to become the basic model of the Brazilian 30-seater.

Chile

Defense Minister: No Salary Hike for Military in 1995

PY2010162994 Santiago Television Nacional de Chile Imagen Internacional in Spanish 1000 GMT 20 Oct 94

[FBIS Translated Text] Defense Minister Edmundo Perez Yoma has stated in Congress that for the time being there will be no salary hike for the members of the Armed Forces.

Intensive meetings have been taking place the past few days in Congress to discuss the allocation of funds for the various sectors in the 1995 budget draft, of which 70 percent is earmarked for social purposes, including payment of pensions.

Within the framework of this debate, Defense Minister Perez Yoma went to Congress to defend the defense budget, which provides for a general two percent increase compared to last year.

The defense minister stated, however, that there will be no salary hike for this sector.

[Begin recording] [Unidentified reporter] Will there be a salary increase for the year 1995?

[Perez] No. The possibility is not contemplated in the 1995 budget, which is very conservative. We want fiscal expenditures to grow less than the revenues. We have had to postpone this possible solution. [end recording]

On another subject, the defense minister said that this budget does not provide resources for the remaining agents of the former CNI [National Intelligence Center], thus fulfilling the agreement reached during the previous government to settle this issue in a four-year term.

Interior Minister Discusses Domestic Politics

PY2010174594 Santiago EL MERCURIO in Spanish 25 Sep 94 pp D1, D16-D17

[Interview with Interior Minister Carlos Figueroa Serrano by Raquel Correa, at the interior minister's offices in Santiago; date not given—passages in italics indicate editorial notations or insertions]

[FBIS Translated Excerpt] [passage omitted] [Correa] Do you believe the political team needs to be coordinated?

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[Figueroa] I am not saying it needs to be coordinated but that it should be coordinated.

[Correa] Are you the one who has been entrusted with this mission?

[Figueroa] We have already held our first working meeting with the minister secretary general of the Presidency [Genaro Arriagada] and the minister secretary general of government [Jose Joaquin Brunner]. This political team will be joined by the foreign minister [Jose Miguel Insulza] and the defense minister [Edmundo Perez Yoma]. I would also like to be perfectly clear that the office of the secretary general of the Presidency is the one that will continue to be the main office in charge of handling ties with Congress, although all ministries have ties with congress, particularly the interior ministry, which, moreover, it is its counterpart in handling ties with political parties.

[Correa] I thought you said that you would be in charge of these tasks. Who would be in charge of them, Genaro Arriagada or you? Who is primarily responsible for coordinating the activities of the political team?

[Figueroa] All three of us are. Or the five that are coordinated.

[Correa] Who is the chief? Are you the one?

[Figueroa] The interior minister is responsible for coordinating this activity.

[Correa] During the Aylwin administration there was talk about the (PDC-PS) [Christian Democratic Party-Socialist Party] twosome; in this administration, there is talk about the "troika." What is the current situation?

[Figueroa] Now we have a team at La Moneda, a team with three faces and one single objective. This team also comprises the foreign and defense ministers for analysis and decision-making purposes.

[Correa] The PS has been cast away from the three faces in La Moneda, although the foreign minister, who is a socialist, has been invited to join the group.

[Figueroa] But *the interior minister gets a bit restless* what we have at La Moneda is a "political team." I want to be perfectly clear in this: Not all the government's work is done in La Moneda. The PS is an important member of the Coalition of Parties for Democracy [CPPD], and as such it must share an equally responsible position in the government ... and I believe it is doing so by heading the foreign, labor, and planning ministries. Moreover, it is also heading the regional development and education under secretariats, which are probably the most important under secretariats in the government. We are talking about two very important action areas for this adminsitration. More than the holding of government posts, the PS has increased its responsibilities in this administration.

[Correa] Really?

[Figueroa] Yes.

[Correa] Did you request that the president replace Jorge Rodriguez Grossi at the regional development under secretariat?

[Figueroa] No, not at all. He is my friend, my colleague....

[Correa] Then it was a question of power quotas?

[Figueroa] No. It has to do with the assigning of responsibilities. Let us not forget that this is a government coalition which must carefully weigh the participation of all the political forces that comprise it. This is how the president viewed the situation.

[Correa] Do you believe that in practice it was a mistake to assign a PS member as interior minister?

[Figueroa] Not at all. From what I have discussed with the president, I believe this has no relation whatsoever with German Correa or with the fact that a PS member was interior minister and, ultimately, acting president. I confirm the position of the PS in that German Correa as a socialist fulfilled his duties as interior minister and acting president with dignity and loyalty. He also fulfilled his duties in such difficult areas as order and public security.

[Correa] Did the Armed Forces have any influence in German Correa's removal?

[Figueroa] The Armed Forces? Absolutely not! If there had been any comments in this regard, I am certain the president would not have accepted any pressures of this nature.

[Correa] You met with Carabineros Director General Rodolfo Stange on 22 September. Do you want him to retire?

[Figueroa] It is not up to me to decide this. There is no room for personal subjectivities or empathies here. Our personal relations should be correct and institutionalized, reflecting whatever is best for the country.

[Correa] Does this mean that you do not mind if Stange leaves or stays?

[Figueroa] It is not up to the interior minister to decide whether the Carabineros director general leaves or stays.

[Correa] What does the interior minister think about the fact that the Armed Forces commanders cannot be removed from their posts?

[Figueroa] I am categorical about this: This measure should not exist. The prohibition on removing Armed Forces commanders is not compatible with a modern democratic system. I have no doubts about this.

[Correa] Do you believe it is reasonable to postpone any initiative in this regard?

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[Figueroa] There will come a time when the country will have to decide on this. I have not doubts about this. Chile must advance in its democratic institutions. It is not fitting for a country that intends to modernize and internationalize its economy, improve its production and its efficiency, and achieve social justice not to modernize its institutions and adapt them to the trends the country is experiencing. I am also referring to the modernization of the courts, the government, and political parties.

[Correa] Both in the expeditious acceptance of Castillo Velasco's resignation from the Santiago intendancy and in this cabinet reshuffle we have witnessed a sudden stroke of authority on President Frei's part....

[Figueroa] I would not say it was a "stroke of authority" but an exercise of authority, which is something different. You do not have a stroke of authority. What we are witnessing is a style of government and it would be a good thing for people to start getting used to it.

[Correa] Does this mean that the president is used to making decisions by himself and only discusses them with his friends in the cabinet?

[Figueroa] No, he does not discuss them with his friends. He makes decisions by himself. He assesses the situation and in the end—and I believe this is something he has made quite clear—he will assume full responsibility for the conduct of his constitutional duties.

[Correa] The PS has publicly criticized the manner in which this cabinet reshuffle was implemented without prior consultation with CPPD party leaders. Do you believe the PS should have been informed?

[Figueroa] It was informed.

[Correa] Should it have been consulted?

[Figueroa] I do not think so. [passage omitted]

[Correa] Did you ever fear that the CPPD might have suffered a schism because of the cabinet reshuffle?

[Figueroa] No. I believe that the CPPD is a very important project.

[Correa] In the beginning it was a marriage of love. Is it a marriage of convenience right now?

[Figueroa] That is what you get after a few years of marriage *has a good laugh*. I believe that it is the children who are keeping this CPPD marriage together ... No, seriously speaking, the CPPD plays a preponderant role in the future of this country. Chile can achieve so many important things through the CPPD that it would be a crime for the CPPD to break up. We have to look after it. I assume my share of responsibility for safeguarding the CPPD. I will make whatever effort is necessary every day for it to continue functioning as effectively as possible as a government expression.

[Correa] Do you believe this administration experienced a test of supra-partisanship with the recent cabinet reshuffle?

[Figueroa] Of course. This was already defined in our government program, but among adults we can discuss, negotiate, and achieve agreements.

[Correa] We are witnessing that political parties have greater participation in this admininstration than in the previous one....

[Figueroa] I do not believe they have lesser or greater participation.

[Correa] What will be your attitude regarding demonstrations? Will you repress or ban them?

[Figueroa] I will make compatible the right of some to hold demonstrations with the right of others to enjoy public order. [passage omitted]

[Correa] The UDI [Independent Democratic Union] has requested that the administration withdraw the constitutional reform bill from congress. Do you think this is possible?

[Figueroa] Absolutely not. The more democratic a country is, the more developed it becomes.

[Correa] Is it divisible?

[Figueroa] From a global concept it is possible to achieve this in stages on the basis of clear commitments with the opposition. Some in the opposition believe that although they are necessary, this is not the proper time to implement these reforms. We are willing to discuss a timetable to implement these reforms. The country's risk reports state that Chile has not completed its democratic process. There are doubts regarding whether we will continue experiencing some instances of unrest, like the ones we have experienced, or whether we will consolidate our democratic institutions.

[Correa] What will be your characteristic as interior minister?

[Figueroa] Politically speaking, much opening, much team work and coordination. I also want to work closely with people. In my notebook I have jotted down a phrase the president said during the first meeting he held after assuming power: "I want you to work with and for the people." I will be able to do this better now at the Interior Ministry than when I was at the Foreign Ministry.

[Correa] Finally, are there going to be changes at the level of the intendants and Seremi [Regional Ministry Secretariat]?

[Figueroa] There is nothing on this.

[Correa] Will you continue enforcing the fait accompli policy?

[Figueroa] Of course.

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Socialist Party Chairman Views Political Issues

PY2110004194 Santiago EL MERCURIO in Spanish 2 Oct 94 pp D1, D18-19

[Interview with Chilean Socialist Party, PS, Chairman Camilo Escalona by unidentified reporter; place and date not given—passages within italics indicate editorial notations or insertions]

[FBIS Translated Excerpt] [passage omitted] [EL MERCURIO] Do you think German Correa did an excellent job as interior minister?

[Escalona] I think he did a good job. But the idea that was insinuated to us in December, about the possibility of his being promoted to chief of cabinet, with the rank of premier... Obviously this did not materialize. For a minority party—in this case the Socialist Party—to be able to head a coalition government, there must be an institutional mechanism supporting it, and the Chilean presidential system does not have such a mechanism today. Without that institutional support the formula chosen for the cabinet could not have worked, as was shown. The position of chief of cabinet, given the characteristics of our presidential system, will always depend on the level of trust between the Interior Ministry and the head of state.

[EL MERCURIO] You have talked with the new minister, the presidential political team, and with President Eduardo Frei. How are PS relations with the administration? Have you shown Frei "a yellow card?" [warning card in soccer]

[Escalona] No, we never showed Frei a yellow card. But we can see a yellow card in the coalition's future.

[EL MERCURIO] Do you mean the government, specifically?

[Escalona] I will try to explain. Most of our conversation with the president sought to explain to him that we understood the current political circumstances. We also talked at length about the Socialist Party vote, because the word "warning" that appears with our vote sounds like a threat, in the style of the old political system.

[EL MERCURIO] But it is not a threat?

[Escalona] No. We conveyed to the president our feeling that the cabinet reshuffle could have had exactly the opposite effect, that it could end up not strengthening the president's authority.

[EL MERCURIO] Could you be more explicit?

[Escalona] The Socialist Party was put in a situation where it was almost forced to say that it did not support the president's decision, *Escalona answers, choosing his words carefully.*

[EL MERCURIO] Do you mean that the PS was close to bolting the government and leaving the coalition?

[Escalona] Something like that almost happened. The press had already been called to the Mont Varas Hall to attend the swearing-in ceremony by the time the former PS president was called to meet with the president. If at that moment the PS executive board had told its newly appointed ministers and under secretaries that they could not attend the ceremony until the situation between our party and the president had been clarified, we would have created a situation that would have hurt the president's authority very seriously. A little hint from our party would have postponed the ceremony.

I am not saying that we would have left the government, but suspending the ceremony would have been a major political event.

[EL MERCURIO] Did you consider that possibility?

[Escalona] Yes. We considered the possibility. However, this PS executive board has invested all its prestige and authority in a decision supporting responsibility and loyalty to the government.

[EL MERCURIO] Is your account overdrawn now?

[Escalona] The president must be aware of that reality. It is not a warning or a threat. It is a real situation. Our warning is that what happened—as we mentioned in our vote—is against the terms that made the coalition's projection into the future possible.

[EL MERCURIO] But is that warning not like showing the government a "yellow card?"

[Escalona] That is... We do not want to return to the old ways of making politics. We are not bragging or trying to save face or annoy the president. We are interested in letting people know what the situation is.

[EL MERCURIO] If this were a soccer game...

[Escalona] We are expressing our opinion, and we hope the president will not get us wrong, in order to benefit the coalition and the government. Secondly, we must consider the fact that we have adversaries in the coalition. We do not want to contribute to the morbid way in which opposition Deputy Juan Antonio Coloma described these incidents, enjoying what we say and distorting the meaning of our words. The PS does not ignore the authority of the president of the Republic... Coloma, in a prodigiously imaginative way, happily concluded that our argument for transforming the political system was a way to ignore the president's authority. But we have been proposing the same transformation since President Patricio Aylwin's administration. We are convinced that our proposal contains the best elements needed to maintain a stable regime.

[EL MERCURIO] Have you noticed any political will to introduce those changes?

[Escalona] We were surprised by the emphasis with which Alejandro Foxley rejected it. Not too long ago we agreed with very important PDC [Christian Democratic

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Party] leaders to start a debate on the proposal. We talked with Gutemberg Martinez and Augenio Ortega. Ortega even presided over a Chamber of Deputies commission appointed to study the issue. We talked with opposition figures such as Andres Allamand and other National Renewal Party leaders about it.

[EL MERCURIO] Would you say that the previous political team worked well?

Escalona covers his face with his hands for a few long seconds, and finally says:

[Escalona] I reached the conclusion that the cabinet reshuffle was a hasty decision, basically moved—we are told—by a loss of prestige in the president's authority, which had been noted in surveys. But politics is somehow broader and more complex than mere administrative decisions. It is related to the state administrative bureaucratic apparatus, the system of party alliances, and the existing social and cultural representations.

[EL MERCURIO] What is, in your opinion, the meaning of PPD [Party For Democracy] President Jorge Schaulsohn's public and reiterated support of the cabinet reshuffle?

[Escalona] Aaaaaah... We have a different way of understanding what politics is. I think he has been celebrating the fall of fellow party member Victor Manuel Rebolledo without thinking about the impact that German Correa's downfall would have on the government alliance as a whole, or what repercussions his fall would have on the trusts and friendships that make possible the working of the alliance and, as a consequence, the bases for government support. Those things cannot be considered exclusively from the point of view of the internal accounts of the political parties.

[EL MERCURIO] You have said that your party's loyalty was not rewarded. Do you mean, in simple words, that the government was not loyal to your party?

[Escalona] Yes. I think the government was not loyal to our party... But we never wanted to confuse political parties with the government. [passage omitted]

[EL MERCURIO] Considering that we have a presidential system of government, and that there is little chance there will be changes made to the system in the near future, how do you see PS relations with the government?

[Escalona] We will be affected by the new team's performance. We wish them good luck.

[EL MERCURIO] Do you think every time the president decides to change a minister he risks destroying the coalition that supports his government? Do you mean that the government is mortgaged?

[Escalona] That is not the case. The PS was seduced by the idea of a chief of cabinet. The party was disappointed when trying to exercise that function and, in our opinion, it was then left aside, with an unconvincing explanation. The explanation we received was that the president was losing authority and, in our opinion, German Correa was not responsible for the president's loss of authority in the eyes of public opinion. It is not just any change, or any minister.

[EL MERCURIO] Do you think the cabinet reshuffle was beneficial to the president's image?

[Escalona] It was, because despite our protest we respected the decision. But I ask: What would have happened had we not accepted the 20 September decision?

[EL MERCURIO] Did you accept it because it was advantageous to you?

[Escalona] We accepted it out of a sense of responsibility.

[EL MERCURIO] But otherwise you would have been excluded from the government.

[Escalona] But you know what? What happened has a very high cost for us. So high, indeed, that the cost of leaving the government is perfectly balanced with the cost of German Correa's fall. In my own district (San Ramon, La Cisterna, and El Bosque) many people think "the government was not doing well, it was the fault of PS, and that was why they threw Correa out." The cost we have to pay before our constituencies is very, very high.

[EL MERCURIO] Did you tell Frei that?

[Escalona] We have tried with all our capacity to explain it to him without offending him.

[EL MERCURIO] What compensation do you expect to receive?

[Escalona] Frankly, I do not think anything can compensate our loss.

[EL MERCURIO] It is irreparable?

[Escalona] Irreparable. This is like love. Only time can heal the wounds, and sometimes not even time can repair the damage.

[EL MERCURIO] Are you not satisfied with the Foreign Ministry?

[EL MERCURIO] No, because many people will keep on thinking that the government's problems were the fault of the interior minister. They will not think that we now have a foreign minister. I personally am not seduced by the idea of having a foreign minister.

[EL MERCURIO] Because he is not a typical socialist figure?

[Escalona] No, but he could become one. The worse thing we could do is to try to transform the foreign minister into a PS spokesman in the cabinet. The fact

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that Jose Miguel Insulza has become foreign minister is an honor for us, but the national political effect of his designation is irrelevant.

[EL MERCURIO] In any case, you will continue in the government. Will you keep your commitment of loyalty?

[Escalona] We have committed our participation, but we must recover the trust.

Colombia

Banana Sector Responds to U.S. Concern Over Quotas

PA2010123794 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 19 Oct 94

[From the "National Newscast"]

[FBIS Translated Text] The banana war has yet another problem: the United States is not pleased with the European decision to grant quotas among banana producers. This is why Bill Clinton's government has threatened the European Community and banana producing countries, including Colombia, with imposing economic sanctions if the system of quotas is enforced.

The United States has placed a banana peel under the feet of banana producing countries that export their products to the European Union. It is a scary trade mechanism that allows, after one year of investigations, the U.S. Government to take measures against those countries that are supposedly affecting its trade interests. The aforementioned investigation focused on the EU because of its agreement with Colombia, Costa Rica, Guatemala, and Venezuela that established fixed quotas on banana exports to Europe. The question is: What does Colombia have to do with this?

[Begin Augura Company President Juan Diego Velez recording] We are practically being told to choose between the European and U.S. markets. We cannot choose between these two markets; the idea is simply to focus on the 404 [not further identified], modify the bases of existing trade with the EU, maintain the same level of trade with the United States, and point out that what is happening in Europe depends on unilateral decisions by the EU. [end recording]

As the saying goes, the United States is acting like the dog in the manger. This is added to the crisis that the banana sector has been facing for the last three years and that prompted some of its companies, like Banacol, to sign a preventive concordat.

Samper Toughens Stance Against Drug Cartels

PA2010235394 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 20 Oct 94

[From the "24 Hours" newscast"]

[FBIS Translated Text] President Ernesto Samper hardened his position against drug trafficking today when he said there will be no truce for the cartels but that surrender will be kept open as a possible solution. Regarding the Narco Bill, the president firmly maintained his position that it must be shelved.

The government says that it clearly sees—and will prove to the Chamber First Committee—that there is no alternative for the so-called Narco Bill: It is either shelved or it is shelved.

[Begin Sampêr recording] The only acceptable future for that plan is that it be definitively shelved. I believe the request for due process against illegal enrichment can be easily resolved in some other way. [end recording]

Regarding peace talks, the government will reveal the manner in which the treaty will be negotiated within the scheduled 100 days. There are 29 days to go.

[Begin Samper recording] Even if there is violence or war, we will not stop seeking peace; we will seek it much more zealously and persistently. [end recording]

As for the drug cartels, beginning with the Cali cartel, there will be no truce.

[Begin Samper recording] The government does not intend to lower its guard either to threats from the drug cartels or from organized criminal groups in the country. The government has also decided to continue pursuing the surrender policy, always remembering that this policy must be implemented by the prosecutor general with the support and solidarity, of course, of all government security bodies. [end recording]

Having made these statements, Samper will deal with the problems of peace and war with subversives and criminals.

Police Operation Uncovers Heroin Network on Border

PA2010235494 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 20 Oct 94

[Report by Marta Rojas; from the "24 Hours" newscast]

[FBIS Translated Text] Colombian and Venezuelan police discovered the Amapola II connection during operations conducted in both countries. This heroin trafficking network operates on the Colombian-Venezuelan border and markets Colombian drugs, which are replacing drugs from Asia, the continent with the largest poppy production.

Authorities confirmed that heroin is being transported from Huila Department via Cucuta to the U.S. and European markets. Security organizations confirmed that the FARC [Revolutionary Armed Forces of Colombia] is the largest heroin producer in Colombia. So far, six persons have been arrested in Venezuela and two in Colombia.

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Counternarcotics police spent six months in follow-up operations. Simultaneous operations against the Cali Cartel have taken place in 23 countries. Costa Rican authorities conducted several raids and dismantled a money laundering network headed by a Colombian woman.

On 19 October the United States described as successful an international offensive against money laundering involving Cali Cartel drug traffickers.

More Alternatives to Drug Crops Urged

94WD0609Z Santa Fe de Bogota EL TIEMPO in Spanish 18 Sep 94 p 24A

[Article by Samuel Salazar Nieto, assistant court editor of EL TIEMPO: "Will the Cinderella Story End?"]

[FBIS Translated Text] Within a very short time, the environmental, socioeconomic, cultural, and political impact of the cultivation of illegal crops in Colombia will reach critical dimensions.

Despite the efforts made on the level of interdiction and the initiation of plans to destroy these crops, it has not been possible to eliminate them.

In view of this situation, the National Council for Economic and Social Policy (CONPES) has decided to establish the guidelines for an alternative development strategy designed to create the conditions needed to reduce the cultivation of illegal crops in vast areas of the rural sector of the country over a 10-year period.

At the outset, it appears impossible to achieve the goal if there is a lack of real political will. The figures say it all. While the state invested 18.65 billion pesos in alternative development projects between 1985 and the present time, in the regions where coca leaves, poppies, and marijuana are grown the national production of these crops generated between 224 and 307 billion pesos for the economy last year alone.

The actions of the state, supported in large part by international cooperation, have benefited about 6,000 families and resulted in the recovery of 3,500 hectares of land, of which 96 percent is in the department of Cauca.

Meanwhile, studies carried out by the authorities in 1992 revealed that approximately 300,000 small producers in 212 municipalities were involved either directly or indirectly in the cultivation of coca plants, poppies, and marijuana.

With a view to establishing this new policy, the CONPES is relying on a study and a proposal drafted by the Ministry of Agriculture, the Presidential Advisory Board on Defense and National Security, the National Rehabilitation Plan (PNR), and the National Narcotics Directorate.

The study presents a rough outline of the situation and the resulting conclusion that in the battle against drug trafficking, the extent of the crop volume is the most neglected aspect and certainly that which requires heavier investment. This is because, as the recent past has shown, the number of hectares under cultivation is tending to increase, rather than to diminish, despite the efforts to destroy vast plantings of the illegal crops.

And the reason for this is very simple. For as long as it is more profitable to produce the coca leaf, or latex, or to dry marijuana, there is no incentive for the peasants and the Indians to devote themselves to traditional agriculture.

Present Situation

According to official estimates, 15,000 small producers are directly responsible for 60 percent of the area planted to coca, 20 percent of that planted to poppies, and 50 percent of the marijuana plantings.

Thus it can be concluded that the country has a cultivated area of 66,000 hectares in illegal plantings, so that it ranks fourth among the world's nations in poppy production, surpassed only by Burma, Laos, and Afghanistan, and the third largest grower of the coca leaf on the American Continent, after Peru and Bolivia.

One hectare planted to coca destroys four hectares of woodland, and one hectare planted to poppies eliminates 2.5 hectares of woodland. In other words, our incalculable biological wealth is also being seriously threatened today.

There are common denominators in the affected zones—economic and social backwardness, a feeble or nonexistent state institutional presence, confrontational situations resulting from neglect, the precarious conditions under which the people live, the concentration of ownership of the land, and the presence of armed groups.

The challenge, then, is enormous, and it demands determination and political will. According to the experts, an investment of at least $200 million is needed if a serious effort is to be made.

"The people who are cultivating coca are not bad people," the spokesmen for the United States, our principal partner in the battle against drug trafficking," have said. That country hopes that the Samper administration will, among other things, destroy all of the illegal crop harvests, and it has also announced its support for a social development policy.

The U.S. Government has included this point in its strategy for the international war on drugs, and it is soliciting bodies like the World Bank and the International Monetary Fund for a promise of economic support for development plans in the zones where the residents have no means of subsistence other than the cultivation of illegal crops.

Colombian Experiment

In 1994, the alternative development projects benefited 37 municipalities thanks to investments amounting to 4.307 billion pesos.

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The alternative development experiment in Colombia began in 1985 with a program for the replacement of the coca plantings in the southern part of Cauca and the northern part of Narino.

In 1990, the projects in Guaviare, Caqueta, and Putumayo were launched under the auspices of the United Nations Program for International Drug Control (UNDCP).

The reports on the implementation of these programs have revealed that up until December of 1993, investments in the amount of 13.129 billion pesos had been made in these four projects. They benefited 5,810 peasant families in 13 municipalities involved in the cultivation of coca.

In fact, crop replacement was effected on 3,476 hectares (96 percent of this area is in the department of Cauca), and the process of gradual reduction was begun on 294 hectares.

In addition, the PNR launched other projects last year in the poppy-producing zones in the southern parts of Tolima and Cauca, in the areas planted to coca in Medio and Bajo Caguan (Caqueta), and in Bota Caucana.

These investments came to more than 1.214 billion pesos. An additional amount of 735 million pesos is being allocated for the expansion of coverage to the poppy-growing zone in the department of Huila in 1994.

Program Seeks Alternatives to Drug Crops

94WD0610Z Santa Fe de Bogota EL TIEMPO in Spanish 18 Sep 94 p 24A

[FBIS Translated Text] The guidelines for the Alternative Development Policy (PDA) have been set forth for the consideration of the CONPES [National Council for Economic and Social Policy]. They are the product of the strategic planning done on this issue by Minister of Justice Nestor Humberto Martinez Neira. Their basis is the premise that Colombia has become a major producer of the coca leaf and poppies on a worldwide scale, and this situation merits a greater commitment on the part of the government, the territorial bodies, and the consumer nations.

This strategy is designed to generate legal and profitable productive options for small farmers that will make possible a gradual reduction in the illegal crops. This is together with the simultaneous pursuit of integral rural development activities in the zones covered.

The proposed actions to be developed are:

1. Community participation and organization through education, training, and communication so as to make it possible to strengthen community participation, organization, and autonomy in the planning, management, and execution of their plans and projects.

2. Institutional strengthening, through advice on training and support designed to strengthen the ability of the municipalities to plan, manage, and execute their development plans and projects.

3. Development of production, credit, and incentives. Search for and development of legal, competitive, and profitable productive options of an agricultural and nonagricultural nature that can be sustained in economic, social, and environmental terms. Encouragement of these activities through easy and timely access to credit and the offer of other incentives established by law.

4. Social development through support of the institutional activities that provide the people with access to education, health, recreation, sports, services, and basic sanitation.

5. Sustainable protection, management, and utilization of natural resources.

6. Infrastructures for production, highways, and transportation. Activities to provide a productive infrastructure and to improve the land and river networks and transportation resources in order to supplement and support productive activities.

Duration

The Alternative Development Policy proposed to the CONPES has been designed as a part of a long-term program requiring a period of 10 to 12 years, at a minimum, for the development and consolidation of its goals. The preparatory stage will last approximately two years, the development stage four to six years, and the consolidation phase between two and four years.

In the preparatory stage, the goals of the project will be established and the processes of community participation and organization will be promoted so that the communities can define and manage their own development.

During this phase, activities designed to strengthen the institutional capacity of the municipalities will be promoted. Also, the generation and approval of suitable and profitable technological packages that will offer the peasants income-producing alternatives will be launched.

A survey of the area planted to illegal crops will also be carried out. It will serve as a reference for a subsequent commitment to replace these crops.

During the preparatory phase, investment will begin, and the terms of the joint effort to be made by the parties participating in the process will be defined.

In the development stage, priority will be given to productive activities, to the management and utilization of natural resources, and to the construction and repair of the regional road system.

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Activities will be launched to generate legal income for the people, and cooperation agreements will be signed.

The final consolidation stage will be the period in which total transfer of responsibility for the projects to the territorial bodies and the community organizations is to be effected.

The document submitted to the CONPES for study was drafted prior to the end of the Gaviria administration by Jose Antonio Ocampo, who was then minister of agriculture and is today director of the National Department of Planning; Alejandro Linares, director of the PNR [National Rehabilitation Plan]; Camilo Granada, a presidential adviser; and Gabriel de Vega Pinzon, director of the National Narcotics Department.

PDA Strategies

The weak institutional presence of the state, the existence of illegal crops, and the situations and elements contributing to social, economic, political, and environmental conflict in the zones covered are the factors that dictate the scope, for the medium and long term, of the goals and strategies of the PDA.

These strategies are:

1. Focus on targets. The PDA will assign priority to and concentrate its actions on the zones in which small farm producers and Indians are cultivating the coca plant, poppies, or marijuana as subsistence crops.

2. Decentralization. Actions will be planned and carried out in decentralized fashion. They will be carried out through the municipalities, and emphasis will be placed on joint financing by the territorial bodies and public and private institutions and entities of all kinds.

3. Regionalization. The PDA will plan and carry out its actions with a view to microregional, subregional, and regional development.

4. Institutional participation. The PDA will coordinate and carry out its activities together with the municipalities, departments, and bodies existing on the local and regional levels, and with the communities that will benefit.

5. Strengthening of civil society. In the social process of concerted action by the state and civil society in the zones characterized by socioeconomic and political conflicts, the PDA will have, as basic support, strengthened community participation and organization.

Short Sentences for Traffickers Criticized

94CA0193A Santa Fe de Bogota EL TIEMPO in Spanish 18 Sep 94 p 5a

[Commentary by Rafael Santos]

[FBIS Translated Text] Something is very much amiss in our judicial system when dangerous narcoterrorists can pay with ridiculous penalties for the most sinister crimes this country has ever known. They have been tried more to clean up their records than to be given punishments that may serve as deterrents. There is no doubt at all that clever attorneys have exploited fragile and lax laws for the benefit of their clients. They knew the laws were extremely mild. And certainly, given the damages caused, the pain and suffering they inflicted on thousands of families who mourn the death of innocent human beings, society is concerned that full justice has not been done. The debt remains immense. It is almost unpayable.

If only I could shout my indignation from the rooftops to protest this situation. How is it possible that people who have admitted that they blew up the Avianca plane, who took part in the murder and kidnapping of important personages and who cowardly killed hundreds of police officers can be released after eight years? What impression does this give to the world and the nation, which demand justice, that criminals who held the nation hostage through car bombings have been punished with just a slap on the wrist? How can the lives of thousands of innocent dead Colombians require so few years in prison? "Arete" will serve between 14 and 16 days in prison for each of the 206 victims of the Avianca aircraft bombing and the attack on the DAS [Administrative Department of Security] building. And "Popeye" will serve a similar sentence. In one of the most ignominious episodes of our history the judicial system, which we were told had been strengthened, negotiated penalties with disconcerting generosity, supposedly to close out a truculent chapter of narcoviolence. And nothing assures us that this will not be repeated in the future.

The issue cannot be analyzed in an emotional way and with the sole purpose of finding someone to blame. Some people say this was the price that had to be paid to penetrate, through the use of informants and confessions, the inner workings of a complex criminal organization of drug traffickers and terrorists. Moreover, the laws used as a framework for Prosecutor De Greiff's strategy which, along with relentless prosecution by the authorities, resulted in convictions of some dangerous criminals, were passed by the Gaviria administration under conditions of unbearable pressure. The policy of encouraging criminals to turn themselves in was designed in the midst of kidnappings, murders, and car bombings ordered by Pablo Escobar. All De Greiff did was to apply this policy.

Since we learned of the agreements between members of the Medellin Cartel and the Prosecutor's Office, it has now become evident that the penalties prescribed by our codes are ridiculous and inconsistent. They seem designed more to benefit criminals than to protect society. The reductions in sentences that criminals receive for good conduct, work, education, and cooperating with justice are used to earn releases quickly without paying for the crimes they committed. That is the reason behind the government's proposal to increase penalties for all crimes, and Prosecutor Valdivieso's

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proposal to revise the preliminary agreements reached with Escobar's accomplices. This comes as encouraging news in the midst of growing public disillusionment with the judicial system.

Whatever may be the result of these two announcements, and we expect that the proposal to increase penalties will meet with strong resistance in Congress, we Colombians now face a terrible dilemma. Was it necessary to give away so much to dismantle one of the world's most dangerous criminal organizations? If the policy of encouraging criminals to turn themselves in had not existed, would the government have been able to defeat Escobar and his followers? I believe that policy did its job and should now undergo a serious revision. Experience demands that we find a middle ground between what society considers just but severe punishment for those who tormented and offended society, and benefits for criminals who cooperate with justice. To date, our judicial system has been very generous with the rewards it has handed out.

Ruling Sparks Review of Asset Seizure Law

94CA0196A Santa Fe de Bogota EL TIEMPO in Spanish 14 Sep 94 p 11A

[FBIS Translated Text] If a ruling by the Norte de Santander Administrative Tribunal becomes law, the state will no longer be able to confiscate the property of drug traffickers.

According to the tribunal, property used in the commission of a crime could not be seized or confiscated if it is inhabited by minors.

The tribunal ordered the return of a house in which 25 kg of cocaine was discovered.

The owner of the house, the mother of three youths 10, 16, and 17 years of age, is currently under arrest and faces trial for drug trafficking, as a result of which the Office of the Prosecutor seized the property and the National Directorate of Narcotics (DNE) assigned it provisionally to an official agency.

The mother and father of the youths are both in prison.

The decision was viewed by officials as a very bad precedent in the fight against drug trafficking, because criminals, using the same argument, will now be able to avoid confiscation of property that they use to carry out their crimes.

According to the government, the judgment was handed down in violation of standards that prohibit ordering the return of property on the basis of protection of minors, and that set limits on overturning sentences.

The case will go to the Constitutional Court for review, because three magistrates cast negative votes allowing the overturning, on appeal, of the decision by the DNE.

Search

The events that gave rise to the decision occurred on 28 April 1994, when the DAS [Administrative Department of Security] conducted a search of the house located in the Colpet quarter of the city of Cucuta, which resulted in the discovery and seizure of about 24 kg of cocaine and several precursor materials.

Arrested during the operation and placed at the disposition of the appropriate judicial authorities was Bertha Becerra Galvis, who admitted that she "did, in fact, possess a hallucinogenic substance."

The representative of the Prosecutor's Office with the DAS in Norte de Santander, on the basis of court order 1950 of 29 April 1993, took possession of the property and assigned it to the DNE, the agency charged with administering property used in the commission of crimes related to drug trafficking, because the property was utilized in one of the types of offenses covered by law No. 30 of 1986.

Because the DNE is required to administer confiscated property, it assigned the house provisionally to the Technical Investigations Corps (CTI) of the Office of the Prosecutor in that region.

When presenting the petition for guardianship to the Administrative Tribunal, the proprietress requested the protection of the fundamental guarantees for her three minor children, claiming infringement of her rights to physical integrity, to have a family, not to be separated from it, and to be protected against abandonment and moral violence.

According to the petition, the house assigned to the CTI has always been inhabited by the children of Bertha Becerra Galvis, who are now students in primary school and high school, and who are 10, 16, and 17 years of age.

The tribunal found that the action of the Office of the Prosecutor had violated rights guaranteed by the Constitution, which in article 44 "establishes the prevalence of the rights of minors over any other consideration."

Impunity

The National Director of Narcotics, Gabriel de Vega Pinzon, said that the decision opens a loophole that will allow impunity to prevail, as persons involved in illegal drug activities will now be able to take refuge in minor children in order to shield their property.

"It seems evident," de Vega stated, "that if there was infringement of the fundamental rights and guarantees of the minor children of the accused, it was not due to any action by the authorities but to the accused, herself, because not only was she caught in possession of 25 kg of cocaine, but she even confessed to her criminal activity."

De Vega said that, although the Administrative Tribunal of Norte de Santander is not wrong when it argues that it is a primordial duty of the state to provide for the

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protection of children, and to make this protection effective through the application of constitutional principles, "bodies such as the Colombian Institute for Family Welfare and the Defender of Minors already exist for that purpose, and fulfill directly the educational and protective function for defenseless children."

De Vega added that transient solutions are not going to remedy the irregular situation in which the minors find themselves because of their parents. "The state must be present and it must make its presence effective with fundamental solutions."

Guardianship was granted on 22 August 1994, and a telegram sent on that day initiated the process of notification of the National Directorate of Narcotics.

On 25 August 1994, at 1140 hours, the DNE was notified, according to the official register located in the correspondence section of that institution.

Although according to law and the procedures of the Constitutional Court, the DNE had until 30 August to present its appeal, the appeal was denied on the grounds that it was too late, despite the fact that it arrived on 29 August.

According to the court, the time limit for the appeal expired on 26 August.

On the other hand, one of the regulatory decrees of the Guardianship Act, No. 306 of 19 February 1992, expressly forbids the restoration of property by this method.

The Constitutional Court will decide in the next few days whether or not it will review the guardianship issue, which will bear case No. 46,413.

[Box, p 11A]

Administration of Property

Colombian narcotics legislation establishes a special procedure for the disposition of property subject to occupation or seizure.

The procedure is:

Once seizure by the authorities occurs, the goods or property involved in drug trafficking or related crimes are placed at the disposition of the National Directorate of Narcotics to be assigned provisionally to official agencies or for the general welfare.

These agencies assume the role of property holders and administer the property until the authorities decide their restoration or their definitive confiscation.

When the owners prove that they have not taken part in the crime under investigation, they may petition the Directorate of Narcotics for the return of the property under a nonconveyable deed, while the authority having jurisdiction decides the definitive ownership of the property.

Government Minister Assures Vigilance in 30 Oct Elections

PA2010141494 Santa Fe de Bogota EL ESPECTADOR in Spanish 16 Oct 94 p 9A

[Report by political editor Carlos Murcia—all quotation marks as published]

[FBIS Translated Text] Government Minister Horacio Serpa Uribe has asked Colombians to study the candidates' resumes closely and to cooperate with authorities by reporting illegal activities like vote buying, manipulation of voters, or undue pressure on voters by unfamiliar forces or people.

"Citizens must first and foremost observe very civic behavior and not sponsor or support candidates who are not within the law or have received suspect endorsements," Serpa Uribe recommended to those who, on 30 October, 15 days from now, will go to the polls to elect mayors, governors, members of the municipal council, deputies, and representatives to local councils.

"Our report to the country today is that the authorities guarantee regular, clean, efficient elections where candidates are free to campaign and citizens are free to vote," the government minister added.

"I invite Colombians to choose, in the most effective, free and patriotic manner, their departmental and municipal leaders and their representatives in public organizations," Serpa asserted.

The Plan for Democracy

The government spokesman commented on the authorities' conduct during the electoral process that ends on 30 October:

"We have already started to observe the details of the so-called Plan for Democracy, which basically, with the help of all the authorities and especially the public forces, offers Colombian citizens a real chance to vote freely and all the candidates for the different posts real security to campaign in full compliance with their legal rights.

The plan has been advanced in several areas where we have observed that there is interest in obtaining results that do not correspond with the people's desires, especially by exerting undue pressure, for example by guerrilla interference in several areas, interference of self-defense groups in others, and involvement of drug traffickers in several places.

In those areas, we have implemented more zealous surveillance and have maintained a very strong posture toward putting a stop to actions that might distort the citizens' will. Furthermore, the government is going to be very attentive to the development of the elections, and it will not hesitate to annul election results wherever it detects that the results were induced or prompted by force or through various coercive means."

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Shuttling of Voters

Minister Horacio Serpa referred to the decision to shuttle voters: "I believe that the Electoral Council's decisions are correct. This permits the defense of constitutional criteria that it is the residents of an area who should elect their leaders and their representatives in public organizations.

We can say that the elections will be held in all regions and sites. They have not been suspended anywhere, and we do not want them suspended. Nevertheless, we have a report from a municipality, Achi, in Bolivar, where it will be necessary to hold new elections later since all the candidates have withdrawn."

The Conservative Registrar

Minister Serpa then mentioned the discord over the political association of the future registrar in the Civil State, saying:

"The government does not see any inconvenience in the registrar maintaining his political association, currently different than that of the president. What is important, in any case, is that he be a person of reputable intellect and ethics who will offer the nation trust given his flawless conduct of administrative duties and political impartiality.

Noting his differences during the campaign with Registrar Luis Camilo Osorio, an official whose term is about to expire, Minister Horacio Serpa said:

"This conflict has been completely solved. At the time, I accepted the ruling handed down by the Tribunal of Guarantees. As minister, I have had to share many activities with Registrar Luis Camilo Osorio, and I must say we have had very cordial and mutually cooperative relations. I can say without hesitation that I have seen him work with dedication, very diligently, and very eager to comply with his duties.

Serpa also urged governors to comply with the president's instructions on political nepotism.

Bribery Investigation Ends; 30 Face Charges

PA2110004394 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 20 Oct 94

[From the "National Newscast"]

[FBIS Translated Text] A two-month investigation of 117 police officers for allegedly accepting bribes from the Cali Cartel ended today with the conclusion that at least 30 officers must face criminal and disciplinary charges.

[Begin National Police Director General Octavio Vargas Silva recording] Some cases involved bribery, and others involved different crimes. The investigating officers analyzed each case to reach their decision. The specific behavior of each individual was determined because the investigation was conducted on a one-on-one basis to establish the exact responsibility of each officer. [end recording]

The officers, noncommissioned officers, and agents who were on the list of bribed persons found during a Search Bloc raid in Cali were dismissed.

The suspension of a state of police emergency in the capital of Valle del Cauca Department was confirmed during a meeting between the defense minister and the police command moments ago. The creation of a special office of the police commissioner in Cali and new incentives for agents in that city were also announced. The goal is to neutralize any new infiltration attempt.

Conflict of Interest Norms Often Ignored

94CA0189A Santa Fe de Bogota EL TIEMPO in Spanish 18 Sep 94 p 8A

[Article by Jorge Gonzalez: "Once Upon a Time, There Were Some Members of Congress Poor As Church Mice...."]

[FBIS Translated Text] In Colombia, norms that seek to prevent conflicts of interest in the exercise of legislative functions are unpopular among the members of the Congress themselves.

Eighty-one percent of members of the Senate and Chamber either do not comply with them at all, deliberately ignore them, or simply do not know of their existence.

This figure was not obtained from a poll, but from an audit of the books in which, according to a constitutional mandate implemented by way of Congress's internal norms, members of Congress must declare their private financial interests and personal worth.

The opening of the books (one in each house) was ordered by the Fifth Law of 1992, Bylaws of Congress (see box).

Its purpose is to prevent members of Congress from participating in the making of laws and in debates in which personal interests may come into play.

For example, a member of Congress who is a coffee grower would be forbidden to participate in the legislative proceedings relating to the creation of a legal subsidy to coffee producers, just as it would also be improper for a member of Congress who is a stockholder of a company in the brewing industry to sponsor a reduction of the beer tax.

As of Friday, 16 of 102 senators and 37 of 163 representatives (a total of 53 of the 265 members of Congress) had fulfilled their obligations. This report also includes some who are no longer members of Congress, because the books have been open since 1992.

The bylaw stipulates that the period within which the member must register the required information in the

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book expires 30 days after his or her having been sworn in as a member of Congress.

This period, counting working days, expired on 1 September.

On 8 September, the General Secretariat of the House of Representatives sent a circular to all the representatives reminding them of the peremptory terms of this legal obligation and indicated 20 September as the deadline for complying with them.

Policy Inside the Home

Although one would believe that the example should begin at home, neither the president of the Senate, Juan Guillermo Angel, nor the speaker of the house, Alvaro Benedetti, nor the vice president of the Senate, Fabio Valencia Cossio appear listed among those who have complied.

The only congressional dignitary listed as having complied is Roberto Camacho, first deputy speaker of the house.

The name of Senator Claudia Blum, a member of the Ethics Committee and sponsor of the national forum that is to be held on 28 September on "Corruption and Ethics of Public Servants," does not yet appear in the book.

Conspicuous by his absence is Senator Roberto Gerlein, author of a bill to create a National High Tribunal of Ethics.

Vaporous Statements

Of the four musketeers who with raised swords pioneered the debate on the case of the Galil rifles, only Representative Guillermo Martinezguerra has registered in the book to declare that he has not had any conflicts of interest.

Odd also among many others is the case of Senator Enrique Gomez Hurtado, promoter of the debate that led to Samuel Escruceria Manzi's loss of his investiture, the country's first case of its kind tried after the coming into force of the 1991 Carta Politica [Political Charter].

Of the 53 members who registered their names in the book, only three openly expressed impediments with respect to specific topics. Eighteen entered a statement consisting of a couple of lines to the effect that they are not exposed to any conflict of interest. The rest listed their wealth without additional comments.

Paradoxically, three of those who declared their situation were stripped of their investiture. One of them is former Representative Fernando Gongora Arcienagas, who had made specific declarations on a conflict with Telecom, an enterprise against which he had brought suit as a contractor, before being elected to the Chamber of Representatives.

Cesar Perez Garcia had reported his position as a "contributing member of the 'Universidad Cooperativa de Colombia' [Cooperative University of Colombia]." Perez lost his status as a member of Congress when the Council of State found that he should have recused himself from participating in the debate relative to the enactment of the General Law on Education.

Representatives Viviane Morales and Jose Felix Turbay Turbay also figure among the exceptions who do make specific declarations of impediments.

Viviane Morales declared that she would recuse herself from the proceedings on 1993 Bill 50, which established the procedure governing loss of investiture. At that time, she herself was facing a possible loss-of-investiture proceeding before the Council of State, from which she subsequently emerged unscathed.

Turbay declared that as distributor for a brewing company, he would recuse himself from anything having to do with that topic.

The Unregistered

EL TIEMPO interviewed some members of Congress who had not registered under this requirement. Fabio Valencia Cossio, first vice president of the Senate, said that he saw no reason for doing so because he has no personal interest that might be incompatible with his congressional activity.

Nevertheless, the declaration must be made, since omission of such declaration is not, in and of itself, to be equated with the absence of such interests.

Last year, then Representative Fernando Castro Caicedo addressed an inquiry in this regard to the Congress' executive body. The above was its answer.

Three members of Congress, who expressly requested anonymity, admitted frankly that they had no knowledge of the books' existence.

[Box, p 8A]

The Registered

Following is a report relative to those members of Congress who have registered in the book, and some of their declarations. Care has been taken to ensure that none of the declarations reported herein will affect the confidentiality of the information the members have provided as to their personal worth.

Jorge Ramon Elias Nader, senator: "If my memory serves me right, I own a small farm (....) I do not own any stocks in any corporation or limited-liability company or anything of the sort...."

Alberto Santofimio Botero: "I have a modest lemon orchard in Ibague. I participate in Caracol Radio and Television cultural programs. At the proper time, I shall make known any conflict of interest that may come up during my tenure."

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Guillermo Martinezguerra, representative: "I am a lawyer, pilot, actor, commentator, captain of the FAC [Colombian Armed Forces], writer, and newspaperman."

Maria Isabel Mejia Marulanda: "I recuse myself from participating in committee proceedings relating to farming activities such as livestock, to coffee-growing, or to dog-breeding."

Members of Congress who have registered during the last two years are the following:

Senators: Victor Renan Barco, Ricaurte Losada, Lorenzo Muelas, Armando Estrada Villa, Gabriel Camargo Salamanca, Jose Renan Trujillo Garcia, Jorge Ramon Elias Nader, Francisco Jose Jattin, Armando Pomarico, Alvaro de J. Vanegas Montoya, Tito Rueda Guarin, Camilo Sanchez Ortega, Omar Florez Velez, Piedad Cordoba, Jairo Clopatotofski, and Eduardo Pizano de Narvaez.

Representatives: Luis F. Rojas Almario, Alvaro Araujo Castro, Luis F. Correa Gonzalez, Teodoro Chamorro Andrade, Jairo Wilkin Chavarriaga, Melquiades Carrizosa Amaya, Orlando Duque Aristizabal, Luis Fernando Duque, Marco Tulio Gutierrez, Carlos Garcia Orjuela, Julio Cesar Guerra Tulena, Benjamin Higuita, Barlahan Henao, Adalberto Jaimes, Jose Narciso Jamioy, Oscar Lopez Cadavid, Harold Leon Bentley, Rafael Perez Martinez, Armando Pomarico, Ana de Pechtalt, Luis E. Perez Bonilla, Carlos A. Parra Cifuentes, Julio Cesar Rodriguez Sanabria, Luis Emilio Sierra (now Senator), Arlen Uribe Marquez and Alfonso Uribe Badillo.

Attorney General Faces Conflict of Interest

94CA0186A Santa Fe de Bogota SEMANA in Spanish 20 Sep 94 pp 38-39

[First paragraph is SEMANA introduction]

[FBIS Translated Text] His past as a senator has posed many obstacles to the new attorney general, preventing him from taking a stand on important issues. How serious is the situation?

On 1 September of this year, a few hours after he arrived for his first day of work on the 12th floor of the Office of the Attorney General of the Nation, former Senator Orlando Vasquez Velasquez became convinced that the Congress of the Republic, which had just elected him four weeks earlier, was going to be the biggest headache in his term of office.

That day was the deadline for the attorney general to issue an opinion on the constitutionality of Article 32 of Law 80, the General Statute on Administrative Contracting enacted in 1993, which had been challenged by a citizen in the Constitutional Court. After reviewing the relevant law, Vasquez and some of his advisers discovered that the new chief of the Public Ministry could not issue an opinion on the legality of the law, because Decree 2067 of 1991 states that anyone who was a member of Congress or participated in the drafting of legislation cannot issue an opinion on the enforceability of the provisions called into question. That applies to Vasquez, who was a senator for the last four years during a legislative session in which 163 laws were passed. Vasquez was forced to leave it up to the outgoing assistant attorney general, Mauricio Echeverri, to argue the constitutionality of the law before the court.

But the matter did not end there. Over the next 12 days, Vasquez Velasquez was forced to disqualify himself from issuing opinions in six other cases: the law establishing transportation rates, fares, and tolls; the law on the departments' assemblies and comptrollers; two suits filed against the social security law; the territorial organization law; and the law establishing guidelines to modernize the operations of municipal governments.

A great furor has arisen because of the stumbling blocks faced by the new attorney general. On the one hand, a broad sector of the press that had vociferously opposed his appointment thinks it has now found Exhibit A in support of its argument that a watchdog agency should not be run by a representative of the political class who recently served in Congress.

Attorney generals recusing themselves is nothing new. Former Attorney General Alfonso Gomez Mendez had to abstain from arguing before the court in at least 50 cases. Horacio Serpa and the late Carlos Mauro Hoyos had to do the same in about 20 cases each. Carlos Gustavo Arrieta, who came from the Council of State, had to recuse himself in only three cases.

The flood of lawsuits against laws passed by Congress does not appear to be diminishing, and the Office of the Attorney General is supposed to issue an opinion on the constitutionality of each challenged law. There are at least 37 other cases on the waiting list at the Attorney General's Office, and sources at the institution say that Vasquez will have to recuse himself from every one of them. These are not minor laws, either; they include the organic law regulating the functioning of Congress, the organic law regulating metropolitan areas, and the organic law on San Andres and Providencia.

But the problems of the new attorney general having to disqualify himself are not limited to dealings with the Constitutional Court. There are also lawsuits challenging the investitures of some of his former colleagues. A week after taking the oath of office, Vasquez Velasquez had to recuse himself from answering interrogatories in an appeal filed by Senator Carlos Espinosa Faccio Lince against a court decision on the application filed by former Attorney General Carlos Gustavo Arrieta with the Council of State to revoke Espinosa's investiture.

The case file was turned over to Assistant Attorney General Mauricio Echeverri, who will apparently recuse himself as well, because he has publicly expressed his support for the application to revoke the investiture.

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Given this state of affairs, it is very likely that Congress will be forced to appoint a special prosecutor to give Espinosa Faccio Lince an answer. And the Espinosa case is evidently not the last one. Sources at the Public Ministry have told SEMANA that Vasquez Velasquez will have to recuse himself if the 50-odd preliminary investigations begun by Arrieta against members of Congress bear fruit. This is true of cases such as the investigation into irregularities in the processing and passage of the law on religions, which involves seven congressmen, and the case of the contracts for power-generating barges, which involves at least one congressman.

The new attorney general has dismissed the whole affair as unimportant, and he has said that the law regulating the functioning of the Attorney General's Office provides expeditious mechanisms to compensate for his inability to act by having the assistant attorney general issue opinions with complete independence.

A legal debate has been sparked by this point, however, because the large number of recusals means that, at the rate things are going, the assistant attorney general (who among other things will represent the Public Ministry before the Constitutional Court) will become a superpower. A judicial source close to the Attorney General's Office stated that there is a danger that the Public Ministry will be divided down the middle as far as the interpretation of the Constitution is concerned: the attorney general's policy vs. the assistant attorney general's policy. This is true because, although Vasquez will not be able to issue opinions on the constitutionality of the laws he was involved in enacting, he will be able to issue such opinions on other cases, and that may pit his office against the office of the assistant attorney general. But that is not the biggest problem. The same source predicted that the constant recusals will exact a very high political price from Vasquez Velasquez, because "he has lost one of his most important functions."

With regard to the investigations of congressmen, which may eventually lead to applications for revocation of investiture, Vasquez stated, "I will study each case with the greatest possible objectivity and in light of the legal issues raised. If I do not have to recuse myself, I will uphold the law as required by the regulations."

Nevertheless, this may be easier said than done. In a country filled with suspicion, the chief of the Public Ministry must deal with the question of whether he should disqualify himself from every case that comes up, and this is not the most propitious environment for performing a function as important as that of attorney general. Although no one doubts his qualifications or his honesty, it is obvious that having to recuse himself time and time again during his first days in office meant that Vasquez Velasquez did not get off to a great start in his career as attorney general.

Dissenting Views Within Central Bank

94CA0192B Santa Fe de Bogota EL ESPECTADOR in Spanish 14 Sep 94 p 1B

[Article: "Rebellion Among Central Bank Board of Directors"]

[FBIS Translated Text] Junguito and Marulanda Demand Their Independence Be Respected. Central Bank Insists on Austerity.

The much-awaited confrontation between the government and the Board of Directors of the Bank of the Republic has begun at last.

Inauspiciously, two members of the board proclaimed the board's independence yesterday relative to the management of credit, exchange, and monetary policies.

Former Minister Roberto Junguito Bonnet and his Central Bank Board colleague, Oscar Marulanda, demanded that their right of dissent be respected, and stated that they decline to submit their judgment to the directives of any political party whatever or of the government in office, whichever it may be.

They concurred, however, in stating that the existence of dissent within the Board of the Central Bank does not signify a confrontation among the directors. These positions were taken yesterday at a session of the Third Committee of the Senate, at which a debate developed relative to the report presented by the Bank of the Republic on the current monetary and credit situation.

Taking part in the session, the manager of the Central Bank, Miguel Urrutia, warned again on the need to impose severe austerity on public spending as a required step toward reducing inflation to the desired levels.

In this regard, he reiterated that the budget for 1995 must not exceed 16.9 trillion Colombian pesos.

He pointed out, however, that the Board of the Central Bank is not opposed to increasing social spending, but rather to the unbridled growth of overall government spending, which requires a wide-ranging reassessment.

Fedesarrollo Against Higher Tariffs

94CA0192A Santa Fe de Bogota EL ESPECTADOR in Spanish 14 Sep 94 pp 1, 2B

[Article by Hector Hernandez M.: "Fedesarrollo Advocates Unification and Reduction of Customs' Duties"]

[FBIS Translated Text] Were the country to decide to raise its customs' duties, as some sectors of the economy have suggested, it would be a "strategic mistake."

On the contrary, "the existing tariff structure needs to be evaluated."

Colombia must end the diversity of its tariffs, which on average attain a level of almost 25 percent, and replace them with a flat 5 to 10 percent tariff.

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These are some of the proposals contained in the Export Action Plan, the first part of which was drawn up by Fedesarrollo [Federation for Development], and its second part by various industry associations.

The plan regards the terms of the Andino Group's projected AEC [Joint External Customs Tariff] as not in the country's best interest, because they can entail higher costs from the standpoint of efficiency. For this reason, "Colombia's current customs' tariff structure must not be compromised within a regional framework that impedes its revision."

From a global standpoint and considering the past performance of trade with Mexico, the Group of Three [G-3], billed as the country's most important trade agreement, fails to pass muster in Fedesarrollo's view. Nevertheless, considering Colombia's export potential, G-3 does have a prospective future for Colombia.

Fedesarrollo urges businesses to carry out detailed evaluations on which to base intermediate-term and long-range plans designed to upgrade the national export potential so as to take advantage of the new markets contemplated under G-3.

Fedesarrollo's proposals, on the other hand, contrast with the sectorial proposals formulated by the associations, and for this reason the research organization warns that a reduction of customs' tariffs would meet with "strong opposition."

Fedesarrollo, therefore, suggests that "the most realistic approach would be a gradual simplification of the tariff structure via two or three levels, maintaining the distinctions between consumer goods, intermediate products, and capital goods, making it clear once and for all that "the concepts of value added and national production as criteria must disappear."

Fedesarrollo's customs' proposal involves neither Analdex [National Association of Exporters] nor the sectorial associations.

Sectorial Proposals

None of the sectorial proposals drawn up by the associations concerned involve a solemn commitment for dealing with foreign competition either in domestic or foreign markets.

All of their proposals revolve around economic desires, and if compared with each other several of them would be found to contradict each other.

Although they recognize that their productive processes must be upgraded to current new technological levels and to the new forms of market penetration, they continue insisting on the maintaining of certain incentives and on the imposition of certain protective measures.

Maintaining the CERT [Tax Reimbursement Certificate] and the Vallejo Plan, and the creation of other incentives by way of taxes, are the common denominator of all of these sectorial proposals.

The reduction of customs' duties on several imported raw materials is repeatedly proposed willy-nilly, with no thought given to their effects on the production chain involved.

And there is no lack of hidden calls for raising customs' duties under the mantle of proposals to combat unfair competition.

Vallejo Plan Flawed

According to Fedesarrollo, the Vallejo Plan provides only a limited approach to countering the distortions produced by current customs' duties.

As is known, this plan provides for reimbursement of duties on imports needed for the production of exportable products.

The shortcomings of the Vallejo Plan manifest themselves in the long-drawn-out proceedings entailed to actually obtain a tax reimbursement, and in the possibilities offered for fraud.

And for the small-scale exporter, the Vallejo Plan is applicable in but limited and costly form. As regards capital goods, it does not succeed in eliminating all the anti-export bias.

According to Fedesarrollo, the Vallejo Plan is in fact one of the reasons for reducing customs' tariffs and putting them all at practically the same level.

A Wider Economic Opening

Fedesarrollo considers that customs' duties must not be raised and, on the contrary, advocates a more aggressive economic opening for the following reasons:

- Customs' duties levied against industrial goods hinder technological renovation, render exports difficult, and encourage smuggling.

- Agricultural customs' duties diminish demand for agricultural goods, and thus reduce sources of rural employment, with highly doubtful benefits for farm families.

- Customs' duties and other barriers can be justifiable in periods of scarcity of foreign exchange. But during periods of abundance of exchange, they reduce the demand for exchange and generate higher revaluation. Over the longer haul, closer ties with foreign markets will provide greater stability to the real exchange rate because imports will adapt more easily to the macroeconomic circumstances.

Exports and Employment

The study finds that if nontraditional exports could grow by 10 percent, the result would be, among other things,

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the creation of 85,000 direct and indirect jobs in the unskilled labor sector, reducing the unemployment rate by 1.6 percentage points.

But the Ernesto Samper program refers to the creation of 250,000 direct jobs through new exports. This goal would require nontraditional exports to grow at an annual rate of 6.7 percent in real terms between 1994 and 1998.

The study indicates that this growth rate exceeds current outlooks, but estimates that if the export plan is put in motion the government's goal would be attainable. It further takes into account that the president's employment goal refers solely to direct jobs, involving much more ambitious growth rates.

Ecuador

Ministers Pleased With U.S. Study of EU Banana Quotas

PA2010171594 Quito Voz de los Andes in Spanish 1200 GMT 20 Oct 94

[From "The Voz Andes Newscast"]

[FBIS Translated Text] The ministers of agriculture and livestock and industry, commerce, integration, and fisheries have said the Ecuadoran Government and the banana industry are very pleased with U.S. plans to study the European banana import quota system. They said this provides a great deal of support for Ecuadoran position in favor of free trade.

Nevertheless, countries that have already secured their export quotas, like Colombia, will begin a diplomatic battle to get the United States to allow unregulated imports of bananas to its markets.

A report issued by the National Banana Board says representatives of the Ecuadoran banana industry completed a two-day visit to Costa Rica to discuss the creation of a Latin American banana producing association. Nicolas Castro, president of the National Association of Ecuadoran Banana Growers [Asociacion Nacional de Bananeros del Ecuador], reported that his contacts with representatives of this sector in Costa Rica garnered more support for the proposal. He pointed out that Ecuador wants producer nations to become the true creators of international banana policies, adding that rejuvenating the Union of Banana Exporting Countries does not mean eliminating an organization that has faithfully pursued its goals.

Pinto's 14-Point Modernization Plan Outlined

94SM0485A Quito EL COMERCIO in Spanish 7 Sep 94 pp A1, B1

[FBIS Translated Text] The government will not languish in its effort to change the state, and to this end it will adhere to the program drafted by Mauricio Pinto, the president of the National Modernization Council (CONAM).

This was made clear yesterday by President of the Republic Sixto Duran-Ballen, when he accepted the modernization agenda for the balance of the governmental term of office from Pinto's hands.

The areas with the greatest appeal in the eyes of domestic and foreign investors are telecommunications, electrical energy, ports, airports, customs, social security, cement, and oil transportation.

According to Pinto, the modernization plan is almost complete, since the 12 basic new laws have been approved, and only those pertaining to telecommunications, electrification, and antitrust measures remain.

This strategic program for the modernization of the country calls for reducing the size of the state, increasing efficiency, promoting investment, and making changes in the public sector.

The basic goal of the plan is to privatize state enterprises, although a number of services will be transferred on a concession basis.

Domestic and foreign investors and the workers or employees at the enterprises to be transferred may participate in the process.

All or a part of the shares will be sold at public auction, through the stock market.

What is wanted is to transfer the inadequate services and enterprises—those needing investments for technological modernization, and whose operations are causing the budget deficit—into private hands.

Ecuadorian Aviation. The following steps will be taken: conclusion of the process of negotiating the debt with the private creditors; exchange of its debt with bonds falling due in the medium time range; conversion to a corporation; sale of 50 percent of the shares on a competitive basis, with allocation of the bid to the best offer.

Civil Registry. Operation of the computer center and service stations will be transferred on the basis of the grant of a concession.

Ports. A call for bids will be issued for the transfer of port services on a concession basis. The bid will be awarded next January.

Customs. The modernization process will be completed this year, with the selection of district administrators, the drafting of manuals, the signing of contracts with the examiners, automation and computerization of the system.

Postal Services. Modernization will be completed in 1995, once the service is entirely demonopolized.

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Telecommunications. The deadline set by the CONAM for amending the law is 31 December of this year. Meanwhile, the basis for international bidding for the public telephone service concession will be drafted. Also, the consortium that is to advise on the transfer of the EMETEL [expansion not given] to the private sector will be selected.

Energy. The generation, transmission, and distribution phases for electrical lighting will also be transferred to the private sector on a concession basis.

Airports. The two international air terminals, in Quito and Guayaquil, will be transferred to private enterprise on a concession basis in 1995.

Railroads. Only the Ibarra-San Lorenzo line will be continued, for as long as there is no road. The personnel and assets will be reduced. The operation of certain lines with a potential for tourist use will be transferred to the private sector on a concession basis.

Universities. A new law will be drafted to make it possible to raise the level of the students' scientific training on the basis of competition.

Social Security. The goal is to effect the conversion of the IESS [Ecuadorian Social Security Institute] in 1995. The health and pension areas will be the first to be dealt with.

Disinvestment. The shares of the following enterprises will be put up for sale: Chimborazo Cement, Quito Hotel, Guapan Cement, Northern Sugar Mill [Ingenio del Norte], Metal Structures Factory, TRANSNAVE, and FLOPEC [Ecuadorian Petroleum Fleet].

The modernization law will also include a schedule for the allocation of public services and projects such as highways, bridges, irrigation and drinking water systems, sanitary projects, port and airport services, on a concession basis.

All Methods Valid

The CONAM is planning to transfer public assets to the private sector by means of sales, awarding bids, or the transfer of shares of company capital.

Another method to be used is the conversion of state enterprises into private companies, by means of mergers or splits, business leases, concessions, partnerships, and any other formula that may be determined by President Duran Ballen in an executive decree.

The first state services and enterprises to be transferred into private hands by December of 1994 are Ecuadorian Aviation, the Civil Registry, the ports in Esmeraldas, Manta, Guayaquil, and Machala; and the customs and postal services.

In the course of 1995 and up until August of 1996, the following sectors will be privatized: the Quito and Guayaquil airports, the railroad enterprise, the universities and the polytechnical schools, and the IESS.

To these will be added the EMETEL, INECEL [Ecuadorian Institute of Electrification], Chimborazo Cement, Quito Hotel, Guapan Cement, Northern Sugar Mill, Metal Structures Factory, TRANSNAVE, and FLOPEC.

The 1994-96 Schedule

The CONAM program includes the following points.
—Partial privatization of the telecommunications sector.
—Privatization of Ecuadorian Aviation.
—Transfer of public services and projects on a concession basis.
—Partial privatization of the electrical sector.
—Transfer of the Civil Registry on a concession basis.
—Transfer of port services on a concession basis.
—Demonopolization of the postal service.
—Modernization of the customs' service.
—Transfer of the airports on a concession basis.
—Rationalization and reduction of the railroad services.
—Amendment to the higher education law.
—Amendment to some aspects of social security.
—Training of state personnel.
—Modernization of the state apparatus.

Social Christian Party's Draft Bills Listed

94SM0485B Quito HOY in Spanish 5 Sep 94 p 6

[FBIS Translated Text] 1. Law Establishing the Solidarity Fund. This is the most important proposal in the package. This fund would be made up of the resources obtained from the privatization or transfer on a concession basis of public services. The authorized capital would be $3 billion, and the income and interest this capital yields would be invested in social solidarity programs.

2. Law on Apprenticeships in the Business Sector. This law calls for providing the private sector with incentives to establish apprenticeship posts to allow students enrolled in higher educational institutions to acquire experience and training.

3. Law on Patients' Rights and Support. This law would require that any person in a life-threatening condition (due to an accident or other cause) be treated at any health center, without immediate payment for the cost of care.

4. Law Amending the Labor Code. This law would amend Article 96 of the Labor Code for the purpose of eliminating the so-called "surplus earnings" that impose limits on participation by the workers.

5. Law Amending the Penal Code. This law provides for accumulated penalties and for sentences of life imprisonment.

6. Law Amending the Municipal System Law. This law would exempt the owners of property the value of which does not exceed 50 times the minimum wage from the obligation to pay the urban real estate tax.

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7. Law on Remittance and Interest, Fines and Other Fees Owed the Treasury Due to Tax Obligations, and to the IESS [Ecuadorian Social Security Institute] Due to Employers' Default.

8. Law Establishing People's Stores and a Family Market Basket.

9. Free Maternity Leave Law.

10. Law on Free Supply of Books and Educational Texts to the Country's Students.

11. Law Amending the Minors' Code. This law would reorganize the Minors' Courts (to make their decisions more flexible) and would provide that in child support cases, the responsible parties must deposit the required support payments promptly.

12. Law Amending the Domestic Tax Regime. This law would provide for an income tax deduction as an incentive to encourage citizens to make contributions for cultural purposes.

13. Law Amending the Health Code. This law is designed to facilitate the introduction and registration of medicines manufactured abroad, "with an effort to ensure healthy competition to reduce their cost."

Peru

Privatization Fund To Invest Debt for Profit

PY2010223994 Lima EL COMERCIO in Spanish 12 Oct 94 p E1

[FBIS Translated Text] The Peru Privatization Fund (Peru Privatization Fund) [three preceding words in English] formally began its activities on 11 October. Its objective is to invest the Peruvian debt in order to obtain a capital profit in the long term.

It has been reported that the enterprise will invest mainly in the Peruvian privatization program. It was confirmed on 11 October that one of its first financial operations will be carried out with the new owners of the enterprise Minera Especial Tintaya S.A., a U.S. consortium that includes the Magma Copper Company and Global Magma Ltd., which won the international public auction on 7 October.

It should be recalled that these enterprises purchased the Peruvian company for $218 million in cash and $55 million in debt papers.

According to Jesus Zamora, manager of the Investment Department of the Credit Bank, the Fund had already made prior contacts with the winning enterprises, and they agreed to work together.

"A new stage in the privatization process has begun with the starting up of the Fund's activities, because the Peruvian debt has begun to be used as a form of payment. It is important to indicate that there are creditors of the Peruvian debt that are very interested in using this mechanism," Zamora stated.

The Fund also plans to participate in future privatizations, such as the Cajamarquilla Refinery and the Lima Electricity Generating Enterprise (Edegel).

The Fund will be managed by the Peru Privatization Fund Management Services [four preceding words in English] (in the Cayman Islands), a restricted purpose enterprise that is a subsidiary of Samuel Montagu.

The Fund currently has some $140 million of the Peruvian foreign debt, but plans to increase this sum with contributions from new investors. It will invest in several economic sectors, with emphasis on the mining and energy sectors. Moreover, Zamora indicated that the Fund does not plan to control or manage the companies in which it will invest, and therefore its share participation will not exceed 49.9 percent of the capital of any company. "The Fund's role will be that of a minority financial partner," Zamora stressed.

The fund is also interested in associating with international and/or Peruvian financial partners with experience and "know how" regarding the companies that are to be privatized. These partners will be charged with the operational management of the company, while the Fund will seek a seat on the board of directors when it deems this to be necessary.

The promoters of the Peruvian Privatization Fund are the Midland Bank PLC, Chase Manhattan Bank, and the Credit Bank of Peru. The International Financial Corporation (CFI) and the Andean Development Corporation will invest in the institution. International financial institutions and banks will also become investors.

Opposition Criticizes Installation of Intelligence Offices

PY2010210994 Madrid EFE in Spanish 1636 GMT 20 Oct 94

[FBIS Translated Text] Lima, 20 Oct (EFE)—The Peruvian opposition has urged the government to explain in Congress the objective for installing national intelligence offices in the ministries, public organizations, and regional governments.

The establishment of these spying offices is provided for in a decree promulgated after the coup d'etat imposed by President Alberto Fujimori on 5 April 1992, through which he dissolved Congress and assumed all powers with the support of the Armed Forces.

General Julio Salazar Monroe, chief of the Peruvian Intelligence Services, recently told the Congress Budget Commission that the government intends to install intelligence service offices in public institutions as of 1995.

Salazar said the future intelligence offices he is heading are "indispensable" for national security and to counteract the intelligence actions carried out by terrorists and drug traffickers.

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Opposition Congressmen Mario Ocharan, of the conservative Popular Christian Party; Fernando Olivera, of the Independent Moralization Front; and Julio Castro, of the Democratic Left Movement; stated last night that this represents the reproduction of the Gestapo (Nazi secret police) in Peru, and demanded that the decree imposing the creation of these offices be abolished immediately.

Two Lima newspapers, EL COMERCIO and LA REPUBLICA, also agree in criticizing this measure, and while the first states that the government could fall into "totalitarian temptations," the latter states that "Fujimorism wants a society under surveillance."

Political Developments 5-11 October 1994

95SM0018A Lima Resumen Semanal Press Review in Spanish 13 Oct 94 p 1

[From DESCO Database; received via Internet]

[FBIS Translated Excerpt] On Tuesday, 11 October, the last day for the registration of candidates for the post of president of the Republic, 27 political groups registered, setting the record for the entire electoral history of Peru.

This was also a week in which the Sendero Luminoso [Shining Path] came to the fore again with a series of sabotage and guerrilla actions. The subversives caused a rather extensive blackout in Lima and other cities in the northern and southern parts of the country. This situation was aggravated by "unusual" technical breakdowns at the new Ventanilla Thermoelectric Power Plant.

In another connection, on the initiative of Congresswoman Martha Chavez, the CCD [Democratic Constituent Congress] meeting in plenary session ordered an investigation of the use and purpose of the donations accepted by the NGO's [nongovernmental organizations].

Ministers Resign

On 8 October, 72 hours before the deadline for the registration of candidates for the office of president in the 1995 general elections, the resignations of Minister of Agriculture Absalon Vasquez Villanueva, Minister of Education Jorge Trelles Montero, Minister of Health Jaime Freundt-Thurne Oyanguren, and Minister of Transport and Communications Dante Cordova Blanco became official. Their final decisions were dated Friday, 7 October, and were initialed by President of the Republic Alberto Fujimori and President of the Council of Ministers and Minister of Foreign Affairs Efrain Goldenberg, who thanked the four resigning ministers for their past service. It is presumed that the names of the resigning ministers will appear on the government party's slate of candidates for the Congress. (Most dailies 9 Oct 94)

After a series of active consultations throughout the day on 10 October, President Fujimori decided to keep the minister of agriculture in his post. The chief executive made this decision after representatives of the agricultural and peasant organizations throughout the country presented a petition at Government Palace asking him to reconsider the resignation of the minister of agriculture and to confirm him in his post. [passage omitted]

Fujimori's Ticket

On 9 October, President Fujimori designated the two individuals who will share his slate of candidates. Ricardo Marquez, who is currently president of the National Industries Association (SNI), will be the candidate for the post of his first vice president, and Cesar Paredes Canto, president of the National Assembly of Rectors, will run for the second vice presidency. In another connection, the government accepted the resignation of the president of INDECOPI, the government board for intellectual property rights and competition, Jorge Muniz Ziches, whose name will presumably appear on the next parliamentary slate of the government party. (Most dailies, 10 Oct 94)

On the following day, President Fujimori said that in placing Ricardo Marquez and Cesar Paredes Canto on the presidential slate, it is not his intention for them to occupy ornamental posts, but to assign them specific functions. "I am going to entrust them with areas of work in which they can give the program of the government greater impetus. These are individuals who have worked very closely with me. To the extent that we have included new people as well, we are bringing in new ideas and experience that will enrich the government policy," he stressed. Fujimori also said that there will be no major changes in his government strategy, because he has obtained good results. He emphasized the successes achieved in the realms of the economy and pacification. "There will only be a few adjustments, because the rest is going well." On the other hand, Reynaldo Roberts, a New Majority-Change 90 congressman, said that it would be a good thing if President Fujimori "went to the people" to develop his campaign for reelection under the same conditions as the rest of the candidates. And Cesar Paredes Canto, president of the National Assembly of Rectors, said that his designation as a candidate for the second vice presidency on President Alberto Fujimori's slate "took him by surprise." He went on to say that "I did not even have a moment to coordinate any kind of action." (Most dailies 11 Oct 94)

Business Sector Satisfied

The choice of Ricardo Marquez, the president of the SNI, as a New Majority-Change 90 candidate on the presidential slate provoked various reactions. Arturo Woodman, president of the CONFIEP [National Confederation of Private Business], said that it gives him great satisfaction to see a businessman on the team of the president of the Republic. However, he explained that "Ricardo Marquez should be regarded as the candidate of the government alliance, and not of the domestic

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businessmen." When asked whether Marquez should resign from the SNI in order to end his involvement in the work of this union, Woodman said that this is a personal decision only Marquez has the right to make. "At a minimum, I am certain, Ricardo Marquez will ask the permission of his institution," he added.

Juan Musso Torres, president of the Lima Chamber of Commerce, said that the president's choice of Ricardo Marquez as a candidate for the first vice presidency of the Republic was an "excellent" one. "It shows that the government has realized that the reactivation of the economy will depend on the businessmen. It is good that the government is on the side of the businessmen, and the businessmen are on the side of the government," he maintained.

For his part, Juan Enrique Pendavis, the president of the ADEX [Exporters Association], expressed satisfaction at the choice of Ricardo Marquez, whom he described as "a major spokesman for the export industrialists in the government." However, he mentioned his reservations about participation by the presidents of business unions in political groups, because the essence of their organizations is political independence. He said that these unions should limit such participation as much as possible, and he asserted that "one cannot be president of a union and vice president of the Republic at the same time. The business unions must maintain an independent political position as a matter of principle." (GESTION 11 Oct 94)

The Businessman-Politician Cycle

Commenting on this matter, Mirko Lauer said that "Fujimori's slate is reminiscent of the 1990 plot. A leader of a business union leader with humble origins and a president of the National Assembly of Rectors. Two new faces in national politics, in order to establish a position distant from the social effects of Fujimori's own government administration, to recover the purity of 1990 to some extent, and to indicate that Fujimori is proceeding essentially alone. The presence of Ricardo Marquez is notable. He came to preside over the SNI as a candidate critical of the economic policy of this government. Because of his statements and because of the industrial branch from which he comes, it was believed that he would wage the battle for domestic production and export. The truth is that Marquez reached an accommodation with the government as of the time of his very first visit to Fujimori. As to the image of Marquez as a self-made man who advanced "from peddler to magnate," that is real. Except that this success story was made possible by all of the governments that preceded Fujimori's. Marquez is continuing the businessman-politician cycle that has confused the public interest with private interests, personal matters with family affairs." (LA REPUBLICA 11 Oct 94)

Economic Plan To Continue

On 5 October in Washington, Javier Perez de Cuellar [JPC] insisted forcefully to President Fujimori that in deciding to participate in the electoral process, he should not confuse his functions as president with those of a candidate. He said he hoped that as a presidential candidate, President Fujimori would have enough of a spirit of justice to say "I am going to halt any actions as president that might be confused with what I may say as a candidate." He reiterated that he plans to maintain the major guidelines of the present government's economic plan, "since what we have been doing is making use of a model that already existed and had spread successfully throughout other parts of the world." JPC was equally critical in noting that the current government did not accept the assistance he offered at the beginning of Fujimori's term of office, when he was still at the head of the United Nations Secretariat General. (Most dailies 6 Oct 94)

On the other hand, after having decided that his presidential slate would be made up solely of "independent candidates," Javier Perez de Cuellar excluded the mayor of Cusco, Daniel Estrada Perez. This fact was revealed by Estrada himself, who said that he received a written communication from the ambassador informing him of his decision. After expressing his surprise and disappointment at this development, the mayor of Cusco denied that he might be included on Perez de Cuellar's parliamentary slate, and he reiterated that despite everything, he retains his respect for and personal identification with the diplomat's candidacy. (Most dailies 10 Oct 94)

IU Electoral Alliance

On 4 October, the PCP [Peruvian Communist Party], PUM [Mariateguist Unified Party], UNIR [National Union of the Revolutionary Left], and FOCEP [Student-Peasant-Worker Popular Front] signed a statement reading as follows. "We agree to reestablish the unity of the Peruvian left and to proceed with the establishment of a single political force based on the following concepts: 1) Affirmation of the process of reconstruction and renewal of the IU [United Left] from the base up, strengthening internal democracy. 2) Acknowledgment of the identity and legality of the parties supporting this process and the contribution of the supporters of and sympathizers with the United Left who have no party affiliation. 3) Establishment of a transitional United Left Promotion Committee, with unitarian membership, to serve until the extraordinary national convention scheduled for 3 and 4 December. 4) Acknowledging the will of the base levels for unity and within the guidelines set forth in this document, application to the JNE [National Election Board] for the registration of the United Left for the 1995 general elections as an electoral alliance. 5) On Sunday, 9 October, in a national consultation open to all of the members and citizens desiring to participate, based on presentation of the L.E. alone, the IU defined the form of its participation in the 1995 general elections on the basis of these two options: a) election of the president's own slate to represent the IU; or b) critical support of the candidacy of Javier Perez de Cuellar." (LA REPUBLICA 5 Oct 94)

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On 10 October, the United Left announced the winners in the internal election. According to the preliminary results that were available at about midnight on Sunday, 9 October, with 90 percent of the votes in Lima reported, the preference was 62.92 percent for the slate headed by Alfonso Barrantes, 27.57 percent for the Javier Diez Canseco slate, 4.98 percent for Jorge Espinoza Egoavil, and 4.5 percent for the PC [Communist Party] proposal for critical support of the candidacy of Javier Perez de Cuellar. On the national level, with 40 percent of the results in, Alfonso Barrantes still led with 75.63 percent, while Javier Diez Canseco had 20.64 percent of the votes, Jorge Espinoza Egoavil had 1.58 percent, and the PC proposal 2.14 percent. Alfonso Barrantes said that "whoever the winner may be, the important thing is that the United Left has held an open public consultation, making it clear that socialist affiliation is not incompatible with democracy" (Most dailies 10 Oct 94)

On 10 October, Alfonso Barrantes returned to the political arena, having won easily in the internal election of the Peruvian left wing. In his first statement, he expressed regret at the exclusion of Daniel Estrada, the mayor of Cusco, from the presidential slate of the Union for Peru, the movement headed by Javier Perez de Cuellar. "This was a mistake, because apart from being an excellent mayor, Daniel represents the desire of Peru for decentralization," Barrantes said. "We have demonstrated that socialism and democracy are compatible, and therefore I am proud to be a socialist and to work for the return of the country to constitutional life." He made this statement on learning that Agustin Haya will be his first vice president and Max Cardenas second vice president. (Most dailies 11 Oct 94)

The PPC Presidential Slate

The PPC [Popular Christian Party] candidate, Lourdes Flores Nano, asked that in the electoral campaign for the 1995 general elections that is just beginning, the arguments concern ideas and not personalities. This statement was made after the candidate, accompanied by vice presidential candidates Luis Bedoya de Vivanco and Percy Tabory, presented the presidential slate to the highest electoral body. Flores Nano expressed the intention to promote the work in agriculture and small business and the potential of the tourist sector. All of this, the candidate said, will be done within a social market economy in which the state serves as a promoter and not an active protagonist. "Greater emphasis will be placed on agriculture as the fundamental basis for decentralized employment, and the task of this state in this sector will be defined as one of investigation, agricultural expansion, and providing credit for the peasants, Flores Nano explained. (Most dailies 11 Oct 94)

Other Groups Registered

On 7 October, two groups—Peru to the Year 2000, headed by Luis Caceres Velasquez, and Edmundo Inga Garay's Alternative Peru—registered with the JNE [National Election Board]. The former group presented its slate through spokesman Jose Allemant Munoz, after he had apologized to a crowd of reporters who had waited in vain for the scheduled appearance of the former mayor of Arequipa. On the slate with Caceres Velasquez are the widowed Mrs. Esther Flores de Marquez, the candidate for the first vice presidency, and Dean of the Peruvian College of Architects Ricardo Gonzales Cortez, the candidate for the second vice presidency.

Mrs. Flores de Marquez is the mother of Ricardo Marquez, the president of the National Industries Association. The party known as Alternative Peru submitted a presidential slate headed by the lawyer Edmundo Inga Garay and including Alcibiades Arce Gonzales, a physician, the candidate for the first vice presidency; and Carmela Maguina Pajuelo, who has a master's degree in social sciences, the candidate for the second vice presidency. (LA REPUBLICA 8 Oct 94)

On 10 October, four movements and two political parties registered their candidates for the presidency of the Republic with the JNE, increasing the number of candidates for the post of chief executive in the general elections scheduled for this coming 9 April to a total of 14. Representatives of the Reformist Party, Peace and Development Movement, Solidarity Movement, and Possible Nation Movement presented themselves, in addition to the representatives of Change 90-New Majority and the PPC.

The group known as the Solidarity Movement, with a membership made up basically of evangelical Christians, presented a slate with Erwin Pinedo Arevalo as the candidate for the presidency of the Republic. And, finally, a slate headed by Alejandro Toledo, together with Oscar Delgado Bejar, was registered. They are candidates for the Possible Nation Movement. Earlier, the New Peru Independent Movement, with Sixtilio Dalmau as its candidate; Popular Action; Carlos Cruz Garay's Independent Front for National Reconciliation; and Alejandro Aspilcueta Motta's Technocracy Movement were registered, as were Ezequiel Ataucusi's FIA Popular Farm Front of Peru, and the APRA [American Popular Revolutionary Alliance], with Mercedes Cabanillas. (Most dailies 11 Oct 94) [passage omitted]

Independents or Party Bosses?

Fernando Rospigliosi said that "it would appear that the political parties continue to be discredited despite the time that has elapsed since this began to be evident in 1989. The fact that two of the most important parties, the APRA and the PPC, have put women at the top of their electoral slates is not an indication that the traditional machismo has been overcome. The truth is rather that they made this decision because they knew they had no other choice. Had they had, it is almost certain that a man would have been the presidential candidate of each of these groups. It is more or less obvious that these parties are playing a loser's game. Given this situation, it

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is again the independent candidates who appear to have the best chance—Alberto Fujimori, Javier Perez de Cuellar, Ricardo Belmont.... The fact is that to be an independent candidate, one must be without a political organization. Or, to put it more accurately, one must have a party or movement that is no more than a shell in which no will other than that of the boss is of any importance. That is why, for example, with the deadline for registration just a few days away, no one has the slightest idea who will appear with these independent candidates on their slates. It is the bosses who will designate them. There will be no process of selection or negotiation, as there is within the parties. The same thing, basically, is true for the parliamentary slates, although in this case, the leaders' discretion has certain limitations. The results of this system are unpredictable. Anything can happen. Fujimori has quarreled with the two vice presidents, and the bench elected by Change 90 in 1990 disintegrated rapidly. The same thing happened to Fernando Olivera's FIM [Independent Front for Moralization] in 1990 and 1993. A number of the mayors and councilmen, swept along by the Ricardo Belmont flood in 1993, not only headed poor administrations, but even ended up in jail. Despite everything, the citizens still seem to prefer independent candidates. The parties should undertake a profound review of their shortcomings, because five years after the beginning of their decline, they have still not found the proper path." (CARETAS No 1332, 6 Oct 94)

Pure Bossism

EXPRESO (10 Oct 94) expressed the view that "while what is being demanded of the political parties is modernism and democracy, what is wanted of the 'independent' candidates is the opposite—that they have no affiliation with any movement or party, that they not let themselves be bound by any commitments or yield to any influences leading them to propose or promise what they should not propose or promise, and that they interpret the popular will for themselves. In short, that they make their decisions by and for themselves, based, naturally, on an evaluation of the needs of the country. Carried along by this current, even Javier Perez de Cuellar has stated that he alone will determine his program, his platform, and his slates. Bossism, pure and simple. It is not his fault, certainly, since this is what is being demanded of him—exactly the opposite of what is bering asked of the parties. The contradiction is only an apparent one, however, since after what the country has suffered, it is the parties that need to win points, because they have lost their credibility and the confidence of the citizenry. But this double standard cannot be maintained for long. If the parties succeed in doing what is being asked of them—being open and democratic—that standard will in the end be applied to everyone."

A Clear Alternative Profile

Luis Pasara (CARETAS No 1332, 6 Oct 94) said that "it would seem prudent not to criticize the current government if what JPC wants is to win over the bulk of the Fujimori supporters. But such a goal would be absurd, since Fujimori himself is a candidate. If, on the other hand, JPC wants to interest those who are weighing various negative elements in their assessment of the government, his candidacy should clearly define his areas of disagreement with the current administration. On this subject, JPC has said little, and what he has said has been erratic and not very convincing. On more than one occasion, JPC has endorsed the economic policy. In addition, he has stressed the employment issue, sometimes with demagogic echoes, as, for example, when he mentioned the figure of three million jobs. In short, JPC must say what he agrees with and what he disagrees with in this economic policy, which has been relatively successful. And he should establish his own profile in this crucial realm. A similar need exists in the realm of authoritarianism. JPC is making the mistake of not speaking out clearly on the military issue. By his silence, JPC may be deceiving those who are seeking an alternative that will give the military back the role assigned to this sector by the law. But in addition, out of fear of stepping on someone's toes, JPC might find himself crushed by the boot that, as the scandalous case of General Howard Rodriguez suggests, is cunningly prepared to commit electoral fraud. Finally, JPC's profile should include a group of individuals prepared to take charge of the government, a group characterized by greater dependability than is seen in the current administration. Which is not much to ask. It is not a question of drafting a complex plan of government, in which the voters would have no great interest. In seeking reelection, Fujimori has substantial resources, including those of the state. To compete with him, one needs an alternative profile. And if establishing that profile means losing, that would be worthwhile too. Because it would mean having succeeded in presenting a genuine alternative." [passage omitted]

Funds for Education

By means of an emergency decree published on 4 October in EL PERUANO, the official daily gazette, the executive branch authorized the regional governments to fill a total of 7,485 teaching posts available for 1995.

Also, the Ministry of Economy and Finance has been authorized to plan and turn over to the regions, through the General Budget and Public Treasury Directorates, the funds required to cover the salaries of the teachers at the educational institutions in the 12 regions of the country. However, the SUTEP [Trade Union of Education Workers] rejected the decree promulgated because, it maintains, it violates the teachers' right to be appointed directly, without the need for prior contracts. Representatives of the union argue that this is a measure designed to be used for "blackmail and political patronage" now that the general elections are approaching. (EL COMERCIO, EXPRESO 5 Oct 94) [passage omitted]

The Popular Movement

The employees of the municipality of Lima took to the streets in a protest march terminating near the Congress,

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where the leaders presented a message addressed to President Jaime Yoshiyama. After the protest march ended, a workers' committee went to Government Palace to present another message addressed to President Fujimori. However, the soldiers on guard duty blocked their way, and a clash ensued. The municipal workers are not only demanding payment of the wages due them for the months of August and September, but have also undertaken a crusade to save the city. (LA REPUBLICA 7 Oct 94) [passage omitted]

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